

COMPANY NUMBER: 5123447

COMPANIES ACT 2006

A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

**ARTICLES OF ASSOCIATION of
THE ASSOCIATION OF PROFESSIONAL COMPLIANCE CONSULTANTS**

Incorporated 10 May 2004

Adopted by special resolution of the Association passed on 16th March 2017

Certified by

**Nicholas Ross
Chairman**

Certified by

**Beverley Robertson
Company Secretary**

Contents

PART 1: INTERPRETATION	4
1. Definitions and interpretation	4
PART 2: OBJECTS AND LIABILITY	6
2. Objects of the Association	6
3. Distribution	6
4. Liability of Members	6
PART 3: THE BOARD OF DIRECTORS POWERS AND RESPONSIBILITIES	7
5. The Board of Directors's general authority	7
6. Members' reserve power	7
7. Delegation of the powers of the Board of Directors	7
8. Code of Conduct	7
9. Rules and regulations.....	7
10. Powers of attorney	7
11. Constitution of the Board of Directors	8
12. Appointment of directors	8
13. Directors' remuneration	9
14. Directors' expenses.....	9
15. Termination of director's appointment.....	9
16. Secretary	10
17. Directors to take decisions collectively	10
18. Unanimous decisions	10
19. Calling a Board of Directors meeting.....	10
20. Participation in Board of Directors meetings	11
21. Quorum for Board of Directors meetings.....	11
22. Chairing the meeting	11
23. Casting vote.....	11
24. Conflicts of interest.....	12
25. Directors' discretion to make further rules	12
PART 4: MEMBERS BECOMING AND CEASING TO BE A MEMBER.....	13
26. Classes of membership	13
27. Termination of membership.....	13
28. Members' Representatives.....	14
29. Annual subscription	15
30. Payments.....	15
31. Annual General Meeting.....	15
32. Extraordinary General Meetings.....	15
33. Notice of General Meetings	16
34. Quorum for General Meetings	16
35. Chairing General Meetings	16
36. Adjournment.....	17
37. Members acting by Representative at General Meetings.....	17
38. Attendance and speaking at General Meetings	17
39. Attendance and speaking by directors and non-Members.....	18
40. Voting: General	18
41. Poll votes.....	18
42. Errors and disputes	19
43. Voting by proxy	19
44. Delivery of proxy notices	19

45. Amendments to resolutions	19
PART 5: ADMINISTRATIVE ARRANGEMENTS	21
46. Means of communication to be used	21
47. No right to inspect accounts and other records	21
48. Records	21
49. Finance	21
50. Indemnity	22
51. Insurance	22
52. Winding Up	22

PART 1: INTERPRETATION

1. Definitions and interpretation

1.1 In these Articles, unless the context requires otherwise:

"**Act**" "Act" means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force and any provisions of the Companies Act 2006, as amended and in force from time to time and the 2006 Act shall be interpreted accordingly;

"**Affiliate Member**" means an affiliate member of the Association, as defined and being subject to the limitations set out in article 26.2.4;

"**Annual General Meeting**" has the meaning given in article 31;

"**Articles**" means these articles of association (as varied or amended from time to time) and any regulations thereunder from time to time in force;

"**Association**" means The Association of Professional Compliance Consultants;

"**bankruptcy**" includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

"**Board of Directors**" means the Board of Directors for the time being of the Association;

"**chairman**" in respect of a General Meeting means the person appointed as chairman of that General Meeting in accordance with article 35;

"**Chairman of the Board of Directors**" means the chairman of the Board of Directors, appointed pursuant to article 12.2.1;

"**Chief Executive**" means the Chief Executive Officer of the Association if appointed at any time;

"**Code of Conduct**" means any rules or code of conduct in place from time to time, created pursuant to article 8;

"**Company**" in the context of membership means any corporate body (wherever incorporated);

"**Corporate Member**" means a company member of the Association, as defined and being subject to the limitations set out in article 26.2.3;

"**Deputy Chairman**" means the deputy to the Chairman of the Board of Directors, appointed pursuant to article 12.2.2;

"**director**" means a director of the Association and includes any person occupying the position of director, by whatever name called;

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

"**electronic form**" has the meaning given in section 1168 of the Companies Act 2006;

"**Extraordinary General Meetings**" has the meaning given in article 32;

"**Fellow Member**" means a individual member of the Association who has been invited to accept fellow membership status for exemplary support, as defined and being subject to the limitations set out in article 26.2.2;

"**General Meeting**" means Annual General Meetings and Extraordinary General Meetings;

"**Individual Member**" means a member of the Association, as defined and being subject to the limitations set out in article 26.2.1;

“**Member**” means a member within any membership class of the Association outlined in 26.2, and “**Membership**” shall be construed accordingly;

“**month**” means calendar month;

“**ordinary resolution**” has the meaning given in section 282 of the Companies Act 2006;

“**participate**”, in relation to a directors’ meeting, has the meaning given in article 20.1;

“**proxy notice**” has the meaning given in article 43;

“**Regulated Individual Member**” means a member of the Association undertaking a regulated role within a UK Financial Services firm, as defined and being subject to the limitations set out in article 26.2.5;

“**Regulations**” means any operating rules, regulations or governance arrangements in place from time to time pursuant to article 9;

“**Rules**” means any rules in place from time to time pursuant to article 9;

“**Representative**” means any person nominated by a Corporate Member to act as its representative to the Association in accordance with article 28;

“**Secretary**” means any person appointed by the Board of Directors to perform the duties of the secretary of the Association;

“**special resolution**” has the meaning given in section 283 of the Companies Act 2006;

“**UK Financial Services Regulatory and Oversight Bodies**” include any organisation constituted to oversee UK Financial Services activity, for example The Financial Conduct Authority, Prudential Regulation Authority, Financial Ombudsman Service and The Pensions Regulator;

“**writing**” means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise;

words in the singular shall include the plural and vice versa;

a reference to one gender shall include a reference to the other genders;

a reference to an “**article**” is a reference to the relevant article of the Articles;

and a reference to a person shall include a natural person or a body of persons whether incorporated or unincorporated.

- 1.2 Any phrase introduced by the terms “including”, “includes” or “in particular” (or any similar expression) shall be construed as illustrative and shall not limit the sense of the words preceding such terms.
- 1.3 Unless the context otherwise requires, words or expressions contained in the Articles bear the same meaning as in the Act or any statutory modification thereof as in force on the date when the Articles become binding on the Association.
- 1.4 The regulations contained in the model articles for private companies limited by guarantee contained in schedule 2 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) shall not apply to the Association. No regulations contained in any statute or subordinate legislation, including but not limited to the regulations contained in Table A in the schedule to the Companies Act (Table A to F) Regulations 1985 (as amended), apply as the regulations or Articles of the Association.

PART 2: OBJECTS AND LIABILITY

2. Objects of the Association

- 2.1 The objects for which the Association is established are to promote professional compliance standards and represent professional compliance consultants who provide advisory support in relation to UK Financial Services Regulatory and Oversight Bodies.
- 2.2 In addition to the matters set out above:
 - 2.2.1 promote the professional compliance standards of consultants and those who assist and advise organisations regulated by UK Financial Services Regulatory and Oversight Bodies;
 - 2.2.2 provide a two-way communication channel between professional compliance consultants and UK Financial Services Regulatory and Oversight Bodies;
 - 2.2.3 provide information to regulated firms and individuals on the services offered by professional compliance consultants;
 - 2.2.4 be recognised as a trade association by applicable Regulators, trade bodies and other associations; and
 - 2.2.5 promote and support the interests of those engaged in professional compliance consultancy business in the United Kingdom.
- 2.3 The Association shall have the power to do all such lawful things as are incidental or conducive to the pursuit or attainment of its objects.

3. Distribution

- 3.1 The income and property of the Association shall be applied solely in promoting the objects of the Association as set out in article 2.
- 3.2 No dividends or bonuses may be paid or capital otherwise returned to the Members, provided that nothing in the Articles shall prevent any good faith payment by the Association of:
 - 3.2.1 reasonable and proper remuneration to any Member, officer or servant of the Association for any services rendered to the Association;
 - 3.2.2 any interest on money lent by any Member or any director at a reasonable and proper rate;
 - 3.2.3 reasonable and proper rent for premises demised or let by any Member or director; or
 - 3.2.4 reasonable out of pocket expenses properly incurred by any director.

4. Liability of Members

- 4.1 The liability of each Member is limited to £1, being the amount that each Member undertakes to contribute to the assets of the Association in the event of the Association being wound up while it is a Member or within one year after it ceases to be a Member, for:
 - 4.1.1 payment of the Association's debts and liabilities contracted before it ceases to be a Member;
 - 4.1.2 payment of the costs, charges and expenses of winding up; and
 - 4.1.3 adjustment of the rights of the contributories among themselves.

PART 3: THE BOARD OF DIRECTORS POWERS AND RESPONSIBILITIES

5. **The Board of Directors's general authority**

The Board of Directors shall be responsible for the management of the Association's business, for which purpose it may exercise all the powers of the Association (subject to the Articles and the provisions of any Code of Conduct in place from time to time).

6. **Members' reserve power**

6.1 Member's reserve power – Members may by passing special resolution, direct the directors to take, or refrain from taking, specified action

6.2 No such special resolution invalidates anything which the directors have done before the passing of the resolution.

7. **Delegation of the powers of the Board of Directors**

7.1 Subject to the Articles, the directors may delegate any of the powers which are conferred on them under the Articles to such person, Advisory Board, working group or committee, by such means, to such an extent and on such terms and conditions as they think fit.

7.2 If the directors so specify any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

7.3 The directors may revoke any delegation in whole or part, or alter its terms and conditions, as they think fit.

8. **Code of Conduct**

8.1 The Board of Directors may in its absolute discretion introduce a code of conduct to, amongst other things, regulate and provide guidance to Members (and may consequently amend, replace or retract such code of conduct as it considers necessary or desirable from time to time).

8.2 If there is a conflict between any Code of Conduct and the Articles, the terms of the Articles shall prevail.

9. **Rules and regulations**

9.1 The directors may establish such rules and regulations governing matters relating to the Association which the Board of Directors considers to be necessary or desirable from time to time for the effective operation of the Association (including, for example, relating to categories of Members, fees and subscriptions, admission criteria for Members or selection criteria for directors).

9.2 If there is a conflict between any Regulations and the Articles, the terms of the Articles shall prevail.

10. **Powers of attorney**

10.1 The Board of Directors may from time to time and at any time by power of attorney appoint any one or more director to act as attorney or attorneys of the Association for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Board of Directors under the Articles) and for such period and subject to such conditions as it may think fit.

10.2 Any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board of Directors may think fit and may also authorise such attorney to delegate all or any of the powers, authorities and discretion vested in him.

11. Constitution of the Board of Directors

- 11.1 Subject to the provisions of the Articles, the Board of Directors may so far as possible comprise:
 - 11.1.1 the Chairman of the Board of Directors;
 - 11.1.2 the Deputy Chairman;
 - 11.1.3 the Chief Executive;
 - 11.1.4 up to eight Directors.
- 11.2 The constitution of the Board of Directors shall be subject to periodical review at such times as the Board of Directors shall determine provided that such a review shall take place at least once in every 3-year period.

12. Appointment of directors

- 12.1 Subject to the Articles (in particular, article 11 and the remainder of this article 12) and to any Regulations, the Board of Directors shall be entitled to appoint as directors such persons who are willing to act and are permitted by law to do so.
- 12.2 Subject to the Articles, the directors shall appoint to the Board of Directors such persons to act:
 - 12.2.1 as the chairman of the Board of Directors for an initial term of three years at the end of which such Chairman of the Board of Directors, should he wish to continue to act, may be re-appointed at the discretion of the Board of Directors, provided that no Chairman of the Board of Directors shall be appointed or permitted to serve for more than two consecutive terms or for a period of more than six years (unless the Board of Directors determines otherwise);
 - 12.2.2 as the deputy to the Chairman of the Board of Directors for a maximum term of three years at the end of which such deputy to the Chairman of the Board of Directors, should he wish to continue to act, may be re-appointed at the discretion of the Board of Directors provided that no Deputy Chairman shall be permitted to serve for more than two consecutive terms or for a period of more than six years (unless the Board of Directors determines otherwise);
 - 12.2.3 as directors for a maximum initial term of three years, at the end of which such director, should he wish to continue to act, may be re-appointed at the discretion of the Board of Directors, provided that no director shall be appointed or permitted to serve for more than two consecutive terms or for a period of more than six years (unless the Board of Directors determines otherwise); and
 - 12.2.4 as the Chief Executive (unless the Board of Directors determines otherwise).
- 12.3 In the event that any doubt or question shall arise as to:
 - 12.3.1 the eligibility of any person to be a director under the provisions of the Articles; or
 - 12.3.2 whether any person is due to retire under the provisions of the Articles; or
 - 12.3.3 the interpretation of any regulation made pursuant to the Articles; or
 - 12.3.4 whether there is any matter of dispute relevant to the selection of any director under such regulations;
 - 12.3.5 then the matter shall be referred to the Chairman of the Board of Directors or, in his absence or where such doubt or question arises in relation to the Chairman of the Board of Directors, the Deputy Chairman, who shall decide the matter in accordance with the principles set out in the Articles or any

relevant Regulations and whose decision shall be final and binding upon the Association.

- 12.4 All acts done by any meeting of the Board of Directors or of a committee of the Board of Directors (or by any member of either of them) shall, notwithstanding that it is subsequently discovered that there was some defect in the appointment of any person acting as aforesaid or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Board of Directors member or committee member.

13. Directors' remuneration

- 13.1 Directors will not be remunerated in any way for performing their role as directors (as defined within regulations).
- 13.2 Directors may be entitled to remuneration for professional services undertaken for the Association that the Board of Directors determine is appropriate and in line with regulations, outside of their responsibilities as directors.
- 13.3 Subject to the Articles, a director's remuneration may take any form.

14. Directors' expenses

The Association may, at its discretion, pay any reasonable expenses which the directors properly incur in connection with their attendance at meetings of directors, committees, general meetings or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Association.

15. Termination of director's appointment

- 15.1 A person ceases to be a director as soon as:
- 15.1.1 that person ceases to be a director by virtue of any provision of the Act or is prohibited from being a director by law;
 - 15.1.2 that person ceases to be engaged in or carry out activity which is required by the Association as a condition of the person being a director;
 - 15.1.3 a bankruptcy order is made against that person;
 - 15.1.4 a composition is made with that person's creditors generally in satisfaction of that person's debts;
 - 15.1.5 a registered medical practitioner who is treating that person gives a written opinion to the Association stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
 - 15.1.6 notification is received by the Association from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms;
 - 15.1.7 that person is directly or indirectly interested in any contract with the Association and fails to declare the nature of his interest in manner required by section 182 - 187 of the Act and the Board of Directors resolves that his office be vacated, the director in question not being entitled to vote on such resolution;
 - 15.1.8 the term of his appointment ends pursuant to article 12;
 - 15.1.9 in the case that person ceases to hold their Position (as such terms as defined in article 12.3);
 - 15.1.10 that person has for more than six months been absent without permission of the Board of Directors from meetings of the Board of Directors held during

- that period and the Board of Directors resolves that his office be vacated, the director in question not being entitled to vote on such resolution; or
- 15.1.11 that person is removed from office by a resolution of the Board of Directors approved by three-quarters of the Board of Directors at a meeting specially convened for the purpose and at which the director in question has been given reasonable opportunity of speaking on his behalf, the director in question not being entitled to vote on such resolution.
- 15.2 The Association may by ordinary resolution, of which special notice has been given in accordance with section 312 of the Act, remove any director notwithstanding anything in the Articles or in any agreement between the Association and such director. Such removal shall be without prejudice to any claim such director may have for damages for breach of any contract of service between him and the Association.
- 16. Secretary**
- The Board of Directors may appoint a person who is willing to act as the secretary on such terms, at such remuneration and upon such conditions as it may think fit; and from time to time to remove such person and, if the directors so decide, appoint a replacement.
- 17. Directors to take decisions collectively**
- 17.1 The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit provided that the directors shall seek to arrange not less than four meetings of the Board of Directors in any one-year.
- 17.2 The general rule about decision-making by the Board of Directors is that any decision of the Board of Directors must be either:
- 17.2.1 a majority decision at a meeting; or
- 17.2.2 a unanimous decision taken in accordance with article 18.1.
- 18. Unanimous decisions**
- 18.1 A decision of the Board of Directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter. Such a decision may take the form of a resolution in writing signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing. Any such resolution shall be as valid and effectual as if it had been passed at a meeting of the Board of Directors duly convened and held. Any such resolution may consist of several documents in the like form each signed or agreed to in accordance with this article.
- 18.2 References to “eligible directors” are to all the Board of Directors members for the time being entitled to receive notice of a meeting of the Board of Directors and who would have been entitled to vote on the matter had it been proposed as a resolution at a directors’ meeting. A decision may not be taken in accordance with article 18.1 if the eligible directors would not have formed a quorum at such a meeting.
- 19. Calling a Board of Directors meeting**
- 19.1 The Chairman of the Board of Directors or three Board of Directors members may, and the secretary on the requisition of the Chairman of the Board of Directors or three Board of Directors members shall, at any time, summon a meeting of the Board of Directors.
- 19.2 At least four days' notice of a meeting of the Board of Directors shall be given, except in cases of emergency.
- 19.3 Notice of any meeting of the Board of Directors must indicate:

- 19.3.1 its proposed date and time;
 - 19.3.2 where it is to take place; and
 - 19.3.3 if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- 19.4 Notice of a Board of Directors meeting must be given to each director, but need not be in writing.
- 19.5 Notice of a Board of Directors meeting need not be given to directors who waive their entitlement to notice of that meeting by giving notice to that effect to the Association either generally during a particular period or specifically, and in either case either before or not more than 7 days after the date on which the meeting in question is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting or of any business conducted at it.
- 20. Participation in Board of Directors meetings**
- 20.1 Subject to the Articles, directors participate in a Board of Directors meeting, or part of a Board of Directors meeting, when:
- 20.1.1 the meeting has been called and takes place in accordance with the Articles; and
 - 20.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting.
- 20.2 Subject to the Articles and the Act, directors participating in a Board of Directors meeting in accordance with article 20.1.2 shall be entitled to vote and be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the person chairing the meeting then is.
- 21. Quorum for Board of Directors meetings**
- 21.1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 21.2 The quorum for the transaction of the business of the Board of Directors shall be fixed from time to time by the Board of Directors but shall not be less than three directors eligible to count in the quorum and vote.
- 21.3 Notwithstanding 21.1, if the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision to appoint further directors.
- 22. Chairing the meeting**
- If at any meeting the Chairman of the Board of Directors is not present within five minutes of the time appointed for holding the same, the Deputy Chairman shall act as chairman of the meeting and if the Deputy Chairman is not present the directors present may elect one of their number to be chairman of the meeting.
- 23. Casting vote**
- If the numbers of votes for and against a proposal are equal, the Chairman of the Board of Directors or other director chairing a meeting of the Board of Directors shall have a second or casting vote except where, in accordance with the Articles, that person is not to be counted as participating in the decision-making process for quorum or voting purposes.

24. Conflicts of interest

- 24.1 If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the Association in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes unless:
- 24.1.1 the Association by ordinary resolution dis-applies the provision of the Articles which would otherwise prevent a director from being counted as participating in the decision-making process;
 - 24.1.2 the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
 - 24.1.3 the director's conflict of interest arises from a permitted cause, in which case, a director who is interested in an actual or proposed transaction or arrangement with the Association is to be counted as participating in the decision- making process for quorum and voting purposes.
- 24.2 For the purposes of article 24.1.3, the following are permitted causes:
- 24.2.1 a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the Association or any of its subsidiaries;
 - 24.2.2 subscription, or an agreement to subscribe, for securities of the Association or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such securities; and
 - 24.2.3 arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the Association or any of its subsidiaries which do not provide special benefits for directors or former directors.
- 24.3 For the purposes of the Articles, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.
- 24.4 Subject to article 24.5, if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the Chairman of the Board of Directors whose ruling in relation to any director other than the Chairman of the Board of Directors is to be final and conclusive.
- 24.5 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the Chairman of the Board of Directors, the question is to be decided by a decision of the directors at that meeting, for which purpose the Chairman of the Board of Directors is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

25. Directors' discretion to make further rules

Subject to the Articles, the directors may make any rules and regulations which they think fit about how they take decisions, and about how such rules and regulations are to be recorded or communicated.

PART 4: MEMBERS BECOMING AND CEASING TO BE A MEMBER

26. Classes of membership

- 26.1 The Association is registered with an unlimited number of Members. Members of the Association may be Fellow Members, Individual Members, Affiliate Members, Corporate Members or Regulated Individual Members.
- 26.2 Subject to the provisions of the Articles:
- 26.2.1 Individual Membership of the Association shall be open to any individual operating as a professional UK Financial Services Compliance Consultant;
- 26.2.2 Fellow Membership of the Association is the highest grade of membership and is conferred on individual members with proven ability who have made a significant contribution to the profession. Fellows are seen as exemplars of the corporate identity of the Association, and as such it needs to be satisfied that successful applicants, by their actions, will reflect its objects.
- 26.2.3 Corporate Membership of the association will be available to professional compliance consultancies (corporate entities) who employ one or more individual members. Corporate Membership allows for the corporate entity to be registered in the association's directory of members. Rights of membership are non-transferable for individual members under a corporate membership in the case that they leave the Corporate Member firm;
- 26.2.4 Affiliate Membership shall be open to any business (whether or not incorporated and however constituted) who provides services to the association or its members. For the avoidance of doubt, Affiliate Members have no voting rights; and
- 26.2.5 Regulated Individual Membership shall be open to individuals holding positions of specific regulatory interest (including 'compliance officers', 'accountable individuals', 'significant influence functions' and 'approved persons'). For the avoidance of doubt, Regulated Individual Members have no voting right.
- 26.3 All applications for:
- 26.3.1 Individual, Corporate and Regulated Individual Membership shall be made in writing in such form as the Board of Directors shall from time to time prescribe; and
- 26.3.2 Fellow Membership may only be made after receipt by the applicant of an invitation from the Association.
- 26.4 Applicants for all categories will be required to provide such information and application fees as may be required by the Board of Directors.
- 26.5 All admissions to Membership shall be at the absolute discretion of the Board of Directors.
- 26.6 It shall be the duty of every Member to provide such information to the Association as the Board of Directors may from time to time reasonably require in connection with that Member's business.

27. Termination of membership

- 27.1 In respect of any Member, Membership of the Association shall cease forthwith:
- 27.1.1 on that Member submitting his resignation in writing to the Secretary;
- 27.1.2 on non-payment by that Member of subscription as provided by article 29.1;

- 27.1.3 if that Member fails to comply with any provisions of the Articles or of its Membership or any Regulations and, where such non-compliance is capable of remedy, it fails to remedy the same within 14 days of receipt by it of notice from the Association requiring it to do so;
 - 27.1.4 if the Board of Directors resolves that its Membership shall cease, provided that no such resolution shall be effective unless it is passed by a meeting of the Board of Directors at which the Member shall have been given reasonable opportunity to speak on his own behalf;
 - 27.1.5 if a Member ceases to be eligible in accordance with the Articles or any Regulations; or
 - 27.1.6 if a Member dies or ceases to exist.
- 27.2 A member may be removed from membership by a resolution of the Board of Directors (a copy of which shall be served on the member concerned) on one or more of the following grounds:
- 27.2.1 that such member has gone into liquidation or, in the case of a partnership, is dissolved (otherwise than only on the death or retirement of a partner) or enters into any arrangements for the benefit of its creditors generally;
 - 27.2.2 that an administrative receiver, administrator or similar officer is appointed over the undertaking and assets (or any material part of them) of a member and is not discharged within fourteen days;
 - 27.2.3 that such member has failed to make any payment in connection with his membership within one month of it being due or has failed to comply with any other of the provisions of the Association's memorandum and Articles of association or the regulations;
 - 27.2.4 that such member has ceased to satisfy the conditions of eligibility for membership of the Association; or
 - 27.2.5 in accordance with the Code of Conduct of the Association, as adopted from time to time, that such member has acted in a way likely to damage the compliance consultancy industry or to bring the Association into disrepute.
- 27.3 The Board of Directors, in its absolute discretion, instead of passing a resolution to remove a member from membership pursuant to Article 27.2 where one or more of the grounds to do so exist (but without prejudice to passing any such resolution subsequently) may resolve that such a member shall be censured or suspended from membership for a specified period or until such suspension is lifted by a subsequent resolution of the Board of Directors.
- 27.4 Membership is not transferable between individuals.

28. Members' Representatives

- 28.1 Individual and Fellow Members have full rights of representation;
- 28.2 In order to exercise any of the rights of Individual Membership of the Association and subject to meeting the necessary criteria for Individual Membership, a Corporate Member is required to nominate a person to act as its Representative to the Association with the power to generally exercise all rights of Membership on behalf of that Corporate Member. A Corporate Member may revoke a nomination and nominate another Representative in his place. A Corporate Member shall give all information that may be required by the Board of Directors regarding such Representative.

28.3 Regulated Individual and Affiliate Members have no rights to nominate representatives.

28.4 All nominations and revocations shall be effective only upon being notified in writing to the Secretary. Upon receipt by the Secretary of any revocation, such person shall ipso facto cease to be a Representative of such Individual Member, and any person nominated in his place shall be and become the Representative.

29. Annual subscription

29.1 Each Member shall pay by way of annual subscription such amounts (if any) as may be determined from time to time by the Board of Directors in respect of each Member provided that the Board of Directors shall be entitled in its absolute discretion to charge different amounts (if any) by way of annual subscription from different Member categories. The Board of Directors can determine that one annual subscription in each year shall be payable in respect of Member Companies having a common holding Company and of the holding Company.

29.2 No Member shall be entitled to dispute the amount of or liability to pay any additional subscription and the Board of Directors shall be entitled in its absolute discretion to call upon different Members to pay different amounts by way of additional subscriptions, provided that the Board of Directors in exercising its discretion may have regard to any scale of subscriptions payable by different Members.

30. Payments

30.1 The Board of Directors shall from time to time determine the times and manner of payment of subscriptions and shall be entitled to make provision for payment of an appropriate part of any subscription where, in the year of admission, Membership is not held for the full year for which such subscription is payable.

30.2 Applicants for Membership shall pay their first subscription (if any) upon application and they shall not become Members or have their names entered on the register of Members until such first subscription (if any) has been paid.

30.3 Without prejudice to the provisions of article 30.2, any Member whose subscription is not paid within three months of the commencement of the financial year for which the subscription is due, shall, unless the Board of Directors shall decide otherwise before the expiration of such period, ipso facto, cease to be a Member of the Association and his name shall thereupon be removed from the register of Members.

30.4 A member which ceases to be a Member at any time and which is indebted to the Association for any subscription, shall remain liable to pay the same to the Association notwithstanding that it shall have ceased to be a Member of the Association.

31. Annual General Meeting

31.1 The Association shall in each year hold a General Meeting as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it.

31.2 Not more than fifteen months shall elapse between the date of one Annual General Meeting of the Association and that of the next. The Annual General Meeting shall be held at such time and place as the Board of Directors shall determine.

32. Extraordinary General Meetings

32.1 All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

32.2 The Board of Directors may, whenever it thinks fit, convene an Extraordinary General Meeting, and Extraordinary General Meetings shall also be convened on such requisitions as provided by sections 303 to 305 of the Act.

32.3 References to General Meetings from article 33 onwards shall also be taken to mean Extraordinary General Meetings save where the provisions of sections 303 to 305 of the Act take precedence.

33. Notice of General Meetings

33.1 General Meetings shall be called by at least fourteen days' notice in writing (exclusive of the day on which such notice is given).

33.2 Every notice of a General Meeting shall specify the place, the day and the time of the General Meeting and the general nature of the business to be considered at that meeting.

33.3 Notice of every General Meeting of the Association shall be given to:

33.3.1 every Individual, Fellow and Corporate Member, except those which (having no registered address within the United Kingdom) have not supplied to the Association an address within the United Kingdom for the giving of notice to them; and

33.3.2 every member of the Board of Directors.

33.4 No other party shall be entitled to receive notices of General Meetings.

33.5 Notice shall be given in the manner set out in this article 33 or in such other manner as may be prescribed by the Association in General Meeting.

33.6 The accidental omission to give notice of a General Meeting to, or the non-receipt of notice of a General Meeting by, any person entitled to receive notice shall not invalidate the proceedings at that General Meeting.

34. Quorum for General Meetings

34.1 No business other than the appointment of the Chairman is to be transacted at any General Meeting if the persons attending it do not constitute a quorum at the time when the General Meeting proceeds to business. A quorum shall consist of not less than six Individual or Fellow members who are entitled to vote at the General Meeting and are present by their respective Representatives or by proxy.

34.2 If within half an hour from the time appointed for the General Meeting, a quorum is not present, the General Meeting, if convened upon a requisition of Members, shall be dissolved. In any other case, the Representatives and proxies present shall constitute a quorum.

35. Chairing General Meetings

35.1 The Chairman of the Board of Directors shall preside as chairman at every General Meeting or, if he is not present within fifteen minutes after the time appointed for the holding of the General Meeting or is unwilling to act, the Deputy Chairman shall be chairman of the General Meeting or, failing him, the Board of Directors members present shall elect one of their number to be chairman of the General Meeting.

35.2 If at any General Meeting no Board of Directors member is willing to act as chairman, or if no Board of Directors member is present within fifteen minutes from the time appointed for holding the General Meeting, the Representatives present shall elect one of their number to be chairman of the General Meeting.

36. Adjournment

- 36.1 The chairman of the General Meeting may, with the consent of any General Meeting at which a quorum is present (and shall, if so directed by the General Meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned General Meeting other than the business left unfinished at the General Meeting from which the adjournment took place.
- 36.2 The chairman of the General Meeting may adjourn the meeting if it appears to him that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- 36.3 When adjourning a General Meeting, the chairman must:
 - 36.3.1 either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors; and
 - 36.3.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 36.4 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Association must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given) and notice of the adjourned General Meeting shall be given as in the case of an original General Meeting.
- 36.5 No business may be transacted at an adjourned General Meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.
- 36.6 Save as aforesaid, it shall not be necessary to give notice of an adjournment or of the business transacted at an adjourned General Meeting.

37. Members acting by Representative at General Meetings

- 37.1 Subject to articles 37.2 and 43, each Member's attendance at a General Meeting shall be by its Representative.
- 37.2 A Member may appoint a corporate representative which is not its Representative to act on its behalf at a General Meeting provided that it gives notice of the same to the Association (prior to the commencement of the General Meeting at which that representative will attend).

38. Attendance and speaking at General Meetings

- 38.1 A person is able to exercise the right to speak at a General Meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting. A person is able to exercise the right to vote at a General Meeting when:
 - 38.1.1 that person is eligible and able to vote, during the meeting, on resolutions put to the vote at the meeting; and
 - 38.1.2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 38.2 The directors may make whatever arrangements they consider appropriate to enable those attending a General Meeting to exercise their rights to speak or vote at it.
- 38.3 In determining attendance at a General Meeting, it is immaterial whether any two or more Members attending it are in the same place as each other.

- 38.4 Two or more persons who are not in the same place as each other attend a General Meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.
- 39. Attendance and speaking by directors and non-Members**
- 39.1 Directors may attend and speak at General Meeting, whether or not they are Members.
- 39.2 The chairman of a General Meeting may permit other persons to attend and speak at a General Meeting who are not:
- 39.2.1 Members of the Association; or
- 39.2.2 otherwise entitled to exercise the rights of Members in relation to General Meeting.
- 40. Voting: General**
- 40.1 Subject to the Act, at any General Meeting every Corporate representative, Individual and Fellow Member who is present in person or by proxy shall, on a show of hands, be entitled to one vote.
- 40.1.1 On a poll, every, Corporate representative, Individual and Fellow Member will be entitled to one vote.
- 40.2 Affiliate and Regulated Individual Members are not entitled to vote at any General Meeting.
- 40.3 Subject to article 40.1, the chairman if not otherwise entitled shall have one vote.
- 41. Poll votes**
- 41.1 At any General Meeting a resolution put to the vote 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:
- 41.1.1 by the chairman;
- 41.1.2 by not less than five Members present and entitled to vote thereat; or
- 41.1.3 by any Members present in person or by Representative or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote on the resolution.
- 41.2 Unless a poll is so demanded, a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Association shall be conclusive evidence of the fact without proof of number or proportion of the votes recorded in favour of or against such resolution.
- 41.3 If a poll is demanded, any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.
- 41.4 A poll may not be demanded on the election of a chairman, or on a question of adjournment.
- 41.5 The demand for a poll may be withdrawn if:
- 41.5.1 the poll has not yet been taken; and
- 41.5.2 the chairman consents to the withdrawal.
- 41.6 Subject to article 41.4, if a poll is demanded it shall be taken at such time and place and in such manner as the chairman shall direct, with the exception that the Association will not conduct a postal ballot. The result of the poll shall be deemed to be the resolution of the General Meeting at which the poll was demanded.

41.7 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall be entitled to a second or casting vote.

42. Errors and disputes

42.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

42.2 Any such objection must be referred to the chairman of the meeting, whose decision is final.

43. Voting by proxy

43.1 Votes may be given by proxy in accordance with this article 43.

43.2 In order to be valid, proxies must be submitted by not later than 48 hours before the General Meeting to which they apply.

43.3 The Association may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

43.4 Unless a proxy notice indicates otherwise, it must be treated as:

43.4.1 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

43.4.2 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.

43.5 No Member shall be entitled to vote at any General Meeting or in any ballot unless all monies presently due and payable by that Member have been paid to the Association. The decision of the chairman shall be conclusive as to whether a Member is so entitled to vote.

44. Delivery of proxy notices

44.1 A person 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 to the Association by or on behalf of that person.

44.2 An appointment under a proxy notice may be revoked by delivering to the Association a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.

44.3 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.

44.4 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

44.5 A proxy notice which is not delivered in such manner shall be invalid unless the directors in their absolute discretion accept such notice at any time before the meeting to which it relates.

45. Amendments to resolutions

45.1 An ordinary resolution to be proposed at a General Meeting may be amended by ordinary resolution if:

45.1.1 notice of the proposed amendment is given to the Association in writing by a person entitled to vote at the General Meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman may determine); and

- 45.1.2 the proposed amendment does not, in the reasonable opinion of the chairman, materially alter the scope of the resolution.
- 45.2 A special resolution to be proposed at a General Meeting may be amended by ordinary resolution, if:
 - 45.2.1 the chairman of the meeting proposes the amendment at the General Meeting at which the resolution is to be proposed; and
 - 45.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 45.3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

PART 5: ADMINISTRATIVE ARRANGEMENTS

46. Means of communication to be used

- 46.1 Subject to the Articles, anything sent or supplied by or to the Association under the 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 the Act to be sent or supplied by or to the Association.
- 46.2 Subject to the Articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.
- 46.3 A director may agree with the Association that notices or documents sent to that 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.

47. No right to inspect accounts and other records

Except as provided by law or authorised by the directors or an ordinary resolution of the Association, no person is entitled to inspect any of the Association's accounting or other records or documents merely by virtue of being a Member.

48. Records

- 48.1 The Board of Directors shall cause minutes to be made in books provided for that purpose:
 - 48.1.1 of all appointments of directors and officers made by the Board of Directors;
 - 48.1.2 of the names of those present at each meeting of the Board of Directors and of any committee of the Board of Directors;
 - 48.1.3 of all resolutions and proceedings at all General Meetings of the Association, and of all meetings the Board of Directors, and of committees of the Board of Directors;
- 48.2 The Secretary of the Association shall keep a register of members which shall show the dates of admission and cessation of membership and shall be open to inspection by all members.
- 48.3 The directors shall ensure that the Association adopts regulations in relation to the treatment and retention of records concerning:
 - 48.3.1 sensitive and non-sensitive data types and related standards;
 - 48.3.2 every unanimous or majority decision taken by the directors; and
 - 48.3.3 membership, director, executive and third party supplier information.

49. Finance

- 49.1 All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Association, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Board of Directors shall from time to time by resolution determine.
- 49.2 The Board of Directors may exercise all the powers of the Association to borrow money, 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 Association.
- 49.3 The Board of Directors shall cause accounting records to be kept in accordance with sections 386-389 of the Act.

50. Indemnity

50.1 Without prejudice to any indemnity to which the director or other officer may otherwise be entitled, every director or other officer of the Association shall be indemnified out of the assets of the Association against:

50.1.1 any liability incurred by that director or other officer in connection with any negligence, default, breach of duty or breach of trust in relation to the Association; and

50.1.2 any other liability incurred by that director or other officer of the Association.

50.2 Article 50.1 does not authorise any indemnity which would be prohibited or rendered void by any provision of the 2006 Act or by any other provision of law.

51. Insurance

The Association may purchase and maintain for all directors or other officers of the Association insurance against any loss or liability which by virtue of any rule of law would otherwise attach to him in respect of negligence, default, breach of duty or breach of trust of which he may be guilty in connection with that director's duties or powers in relation to the Association.

52. Winding Up

52.1 If upon the winding-up or dissolution of the Association there remains, after the satisfaction of all the Association's debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the Members of the Association but shall be given or transferred:

52.1.1 to some other institution not formed or carrying on business for profit having objects similar to the objects of the Association (such institution to be determined by the Members of the Association at or before the time of dissolution); or

52.1.2 if and so far, as effect cannot be given to the aforesaid provision to some other charitable object.