

The Charter

ELIZABETH THE SECOND by the Grace of God of the United Kingdom of Great Britain and Northern Ireland and of Our other Realms and Territories Queen, Head of the Commonwealth, Defender of the Faith: TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETING!

WHEREAS a humble Petition has been presented unto Us by the Institution incorporated in the year of our Lord Nineteen hundred and eighty nine under the Companies Act 2006 as a Institution limited by guarantee and not having a share capital and known as "The Association of Business Schools" praying that We should constitute a Corporation incorporated by Our Royal Charter to acquire and take over the assets and carry on the activities of the said Institution in succession thereto and with such provisions as should seem to Us right and suitable:

AND WHEREAS We have taken the said Petition into Our Royal Consideration and are minded to accede thereto:

NOW THEREFORE KNOW YE that We by virtue of Our Prerogative Royal and of Our especial grace, certain knowledge and mere motion have granted and declared and do hereby for Us, Our Heirs and Successors grant and declare as follows:

1. There shall be a body corporate with perpetual succession and a Common Seal by the name of "The Chartered Association of Business Schools" ("the Institution").
2. The Institution's objects ("the Objects") are the advancement of education for the public benefit by:
 - 2.1 advancing the education of the public in business and management in particular through the promotion of business and management education, training and development so as to improve the quality and effectiveness of the practice of management in the United Kingdom;
 - 2.2 designing and running awards ("the Charter Awards") providing public recognition to business schools (including without limitation, business schools operated by universities and other higher or education institutions and stand alone business schools) which assist small businesses to succeed (and for these purposes a small business shall be of a type and scale determined by the Management Board (as hereinafter defined) from time to time) and assistance by business schools to small businesses which shall include, without limitation, such business schools offering support and facilities to such small businesses, increasing the flow of students and graduates in to such small businesses and business schools helping their students to set up their own businesses promote effective forms of organisation administration teaching and research within institutions delivering undergraduate post-graduate or post-experience business and management education and such other initiatives ("the Initiatives") approved by the Council (as defined below) to support small businesses succeeding as aforesaid;
 - 2.3 promote research organisational structures and communications between members and the public and government to assist its members in their contributions to society at large;
 - 2.4 provide a forum for the exchange of ideas and stimulate discussion on the role of business and management education;
 - 2.5 organise and facilitate the development of the competence of all academic and administrative staff of the member organisations; and

- 2.6 carry out any other role in the nature of assistance, promotion, investigation and exchange of information about business management education training and development generally.
3. The Institution shall have all the powers of a natural person to do all lawful acts that are conducive or incidental to the attainment of the Objects.
4. There shall be such categories of members of the Institution ("Members") as bye laws of the Institution ("Bye Laws") shall prescribe.
5. The Institution shall not make any dividend, gift, division, or bonus in money unto or between any of its Members except by way of prize, reward or special grant.
6. There shall be a council of the Institution ("the Council"), which shall be the supreme governing body of the Institution and shall be responsible for the exercise of the Institution's powers. For the avoidance of doubt the Institution shall be entitled whether through the Council or otherwise to operate other awards initiatives which recognise excellence but so that such other awards initiatives shall not compete with or damage or diminish the Charter Awards.
7. The Council may delegate all or any of its functions provided that the Council shall not delegate any of the following:
 - (a) the determination of the character and mission of the Institution;
 - (b) the responsibility for ensuring the solvency of the Institution and for safeguarding its assets; or
 - (c) the making of, alteration, amendment or addition to this Our Charter or the Bye Laws.
8. The Council shall consist of no less than eight persons and no more than twelve persons, appointed as set out in Bye Laws, who shall each hold office for a period of up to three years and shall be eligible for re-appointment as set out in the Bye Laws.
9. Three members of Council having no conflict of interest shall constitute a quorum.
10. The Charter Awards and other initiatives approved by the Council and Management Board shall solely be administered by the Management Board (and not Council) which shall be constituted and function and have the powers as set out in the Bye Laws.
11. The affairs of the Institution shall be regulated in accordance with the Bye Laws.
12. There shall be such officers of the Institution as the Council shall decide or as are set out in the Bye Laws but who shall include a Chair of Council, Vice Chair of Council, Chief Executive, Treasurer and a Secretary to Council.
13. The Institution shall be committed to the fair and equal treatment of every person and shall not discriminate on unjustified, irrelevant or unlawful grounds.
14. The first Bye Laws of the Institute ("the Bye Laws") shall be those in the Schedule. The Council may by resolution add to, amend or revoke the Bye Laws. Such a resolution ("a special resolution") must be passed by not less than two-thirds of the members voting at a meeting convened after no less than twenty-one days' notice. No such resolution shall be effective until approved by the Lords of Our Most

Honourable Privy Council, of which approval a Certificate signed by the Clerk of Our said Privy Council shall be conclusive evidence.

15. The Council may amend, add to, repeal or surrender this Our Charter by a resolution passed at a Council meeting by a majority of not less than three-fourths of those present and voting. Any amendments to the Charter shall only be effective with prior approval by Us, Our Heirs or Successors in Council.
16. Our Royal Will and Pleasure is that this Our Charter shall be construed benevolently and in every case most favourably to the Institution and the promotion of the objects of this Our Charter.

THE SCHEDULE
BYE LAWS OF THE CHARTERED ASSOCIATION OF BUSINESS SCHOOLS

1. MEMBERS OF THE INSTITUTION

1.1 There shall be five classes of membership of the Institution, namely Full Members, Associate Members, International Members, Corporate Members and Affiliate Members which shall be admitted by Council following application. The criteria for membership are as set out in Bye Law 1.2 but so that the Council shall be entitled to remove any category of member other than Full Member.

1.2 **"Affiliate Member"** means an entity awarded such category of membership by the Council which do not meet any of the formal criteria for other membership categories.

"Corporate Member" means entities which are not eligible to be either a Full Member or International Member but which have an interest in business and management education and the Institute for networking purposes. Membership is awarded at the discretion of the Council.

"Full Member" means institutions located in the United Kingdom ("UK") which are universities, colleges, schools or other bodies, which may include branches of overseas institutions, which satisfy all of the following criteria:

- (a) delivery in the UK of higher education ("HE") level qualifications in business and/or management which qualifications are core to that institution's mission and have sufficient breadth and depth to meet the national subject benchmark statements for general business and management of The Quality Assurance Agency for Higher Education ("QAA") from time to time;
- (b) normally, have gained formal approval from the Privy Council as a body with degree awarding powers or the authority to issue vocational qualifications and be subject to a UK national external quality assurance system (in the case of formal degree awarding powers from the QAA or in the case of vocational qualifications full approval from The Office of Qualifications and Examinations Regulation ((OFQUAL) or Scottish Qualifications Authority (SQA) or the Department of Education, Northern Ireland (DENI) (or any successors thereto); and
- (c) provide sufficient commitment to and achieve a critical mass in terms of research or scholarship to underpin the qualifications, as evidenced by for example their institutional strategy, policies and practices, the quality and quantity of published outputs (as measured for example by the ABS Academic Journal Quality Guide) and the nature and level of financial and academic support for the 'community of scholars' associated with the qualifications.

“Associate Members” means institutions located in the United Kingdom, or branches of overseas institutions which have registered offices in the United Kingdom, which have a desire to become Full Members, but as yet do not meet the requirement of Full Membership.

Upon application to become an Associate Member, the Chartered ABS Council will assess the current credentials of the organisation and identify an appropriate time frame by which it expects the applicant to meet the requirements of Full Membership. This will be either three or five years. Applicants who then register as Associate Members will provide the Chartered ABS Council with annual reports on their progress to meeting the criteria for Full Membership. If the Associate Member has not met the requirement of Full Membership by the end of the specified time frame, the Membership Committee of the Chartered ABS Council has the right to withdraw Associate Membership.

“International Member” means institutions located outside of the United Kingdom (and having no base within the United Kingdom) which are universities, colleges, schools or other bodies which satisfy all of the following criteria:

- (a) delivery of HE level qualifications in business and management which are core to that institution’s mission and with sufficient breadth and depth to meet the equivalent of national subject benchmark statements for general business and management set down by the QAA;
- (b) normally, have gained formal approval for degree awarding powers and be subject to a national external quality assurance system; and

provide sufficient commitment to and achieve a critical mass in terms of research or scholarship to underpin the qualifications, as evidenced by for example their institutional strategy, policies and practices, the quality and quantity of published outputs (as measured for example by the ABS Academic Journal Quality Guide) and the nature and level of financial and academic support for the ‘community of scholars’ associated with the qualifications.

- 1.3 The Council shall determine by regulation the method and process of organisations becoming Members of the Institution of any class, an examination of their qualifications for becoming Members of that class and continuing Membership and the rights and privileges and obligations applying to Membership of that class. Membership shall not be transferable nor shall it be capable of being mortgaged, charged or otherwise encumbered.
- 1.4 The Council may from time to time impose, waive, increase or decrease annual or other subscriptions for Members of all classes or entrance fees payable on admission to Membership of the Institution of any class.

- 1.5 Organisations shall continue to be Members of the Institution of that class only for so long as they shall comply with such conditions of and qualifications for Membership of that class, and shall pay such fees and subscriptions as shall for the time being be prescribed by the Council.
- 1.6 All Members of the Institution shall act with integrity so that at all times they safeguard the public interest and uphold the professional reputation and dignity of the higher education sector in the United Kingdom. They shall at all times act in accordance with any code of conduct of the Institution applicable to Members of that class specifically or all classes generally.
- 1.7 The Council shall make regulations to be adopted for the investigation of a complaint against any Member of the Institution of any class or an indication of apparent misconduct by such a Member, and the appointment and authorisation of a committee of the Council to hear, investigate and rule on any such complaint, and to impose and enforce penalties against any such Member or (where the consent of such Member to accept any such penalty is withheld or withdrawn) to make recommendations to the Council.
- 1.8 The Council shall make regulations for the procedure to be adopted for the lodging and administration of an appeal by a Member of the Institution against a decision of the committee appointed and authorised to investigate the complaint against such Member.
- 1.9 Organisations shall cease to be Members of the Institution in any of the following cases:
 - 1.9.1 if they shall fail for a period of three months (or such other period as Council may determine from time to time) to pay all subscriptions and fees for the time being due from them to the Institution; or
 - 1.9.2 if they shall resign by giving written notice thereof to the Chair with three months notice expiring at the end of any accounting period of the Institution (or such other notice period as may be specified by Council by regulation from time to time) but so that no Full Member shall resign if that would then leave less than two Full Members remaining; or
 - 1.9.3 that Member (of whatever class) ceases to exist or operate, becomes bankrupt or insolvent, enters into receivership, liquidation or administration or makes any arrangement or composition with its creditors; or
 - 1.9.4 if they shall be removed from Membership of the Institution by a resolution of Council provided always that the organisation, the removal of which is in question, shall first have been given an opportunity of being heard by a committee of the Council, of which hearing the said

organisation shall be given not less than twenty-one days' notice in writing of the general nature of the grounds on which removal is proposed and at which hearing the said organisation shall have an opportunity to put forward any explanation or defence.

1.10 Any organisation, the Membership of which shall cease in accordance with Bye Law 1.9, shall remain liable to the Institution for all fees, subscriptions and other sums which may have been due from such organisation at the date Membership ceased.

2. **GENERAL MEETINGS OF THE INSTITUTION**

2.1 At least one general meeting of Full Members of the Institution shall be held in every calendar year at such time and place as may be determined by the Council. Such meeting shall be termed the Annual General Meeting.

2.2 The Annual General Meeting shall be for the purpose of transacting the following business:

2.2.1 to receive and to consider the report of the Council on the activities of the Institution;

2.2.2 voting on the membership of Council;

2.2.3 approval of the annual accounts of the Institution;

2.2.4 appointment of the auditors of the Institution;

2.2.5 the determination of the annual schedule of membership fees (on recommendation of the Council); and

2.2.6 to transact such other business as the Council may decide is appropriate for a General Meeting.

2.3 A General Meeting of the Institution other than an Annual General Meeting may be convened at any time by:

2.3.1 the Council;

2.3.2 the Chair of Council; or

2.3.3 within 30 days of receiving a written request so to do signed by not less than ten Voting Representatives (as defined in Bye Law 3 below) giving reasons for the request.

2.4 The Chair of the Council shall act as chair of all general meetings. If the Chair of Council not be present at a general meeting within 15 minutes of its scheduled starting time then the Vice Chair if present shall chair the general meeting or

otherwise the Voting Representatives present shall be entitled to appoint another Council member as chair of that meeting.

- 2.5 At least 14 days notice shall be given of all general meetings to all members entitled to attend together with the members of Council, members of the Management Council and, in the case of the annual general meeting only, the auditors for the time being of the Institution. A general meeting may be called by shorter notice if it is so agreed by a majority in the number of the Full Members having a right to attend and vote being a majority together holding not less than 90 per cent of the total voting rights at the meeting of all the voting members. No business shall be transacted at any General Meeting (other than the adjournment thereof) unless a quorum of Members is present at the time when the meeting proceeds to business. Ten Members present through their Voting Representative shall constitute a quorum except where a meeting is required to be adjourned by reason of the absence of a quorum, in which case the meeting shall be adjourned to the same time and place a week later (or such other time and place as specified by the Council) and at such reconvened meeting those Voting Representatives present shall be a quorum.
3. Each Full Member has one vote which shall be exercised at General Meetings by an individual representative of that Full Member ("Voting Representative") which Voting Representative shall be employed or engaged by such Full Member. The Full Member shall notify the Institution of the identity of the relevant Voting Representative at least two days prior to each General Meeting of the Institution if the Full Member wishes to be able to vote at such General Meeting through such Voting Representative. In the event of a Voting Representative resigning or ceasing to be employed or engaged by the Full Member appointing such person as their Voting Representative then he or she shall immediately cease to be a Voting Representative of such Full Member. Each Full Member may appoint an additional person for the purposes of receiving information from the Institution and shall not be limited as to the number of representatives who can attend at General Meetings always with the proviso that the only person allowed to vote on its behalf shall be the pre-notified Voting Representative.

Each Full Member may appoint a deputy to replace its Voting Representative if the Voting Representative is unable to attend any particular General Meeting of the Institution but such deputy shall not have a vote unless the Full Member concerned notifies the Chair of the deputy's appointment in writing at least one day prior to the relevant General Meeting. Full Members may vote only through the persons specified in this Bye Law 3.

4. International, Corporate and Affiliate Members shall be entitled to attend and take part in General Meetings (unless the chair of the meeting decides or the Full Members vote to reserve a General Meeting or part thereof to the Full Members only) through a notified individual from time to time and to receive notices and

communications in respect of such General Meetings but they shall not have a vote.

- 5.1 A resolution put to the vote of a meeting shall be decided on a show of hands unless a poll is duly demanded. A poll may be demanded:
 - 5.1.1 by the Chair; or
 - 5.1.2 by at least five Voting Representatives having the right to vote at the meeting; or
 - 5.1.3 by Voting Representatives having not less than one tenth of the total voting rights of all members having the right to vote at the meeting.
- 5.2 Unless a poll is duly demanded a declaration by the Chair that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. An entry to that effect shall be made in the minutes of the meeting.
- 5.3 The demand for a poll may before the poll is taken be withdrawn but only with the consent of the Chair and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
- 5.4 A poll shall be taken as the Chair directs and they may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 5.5 In the case of an equality of votes whether on a show of hands or on a poll the Chair shall be entitled to a casting vote in addition to any other vote they may have.
- 5.6 Bye Law 5.5 does not apply if, in accordance with these Bye Laws, the Chair is not to be counted as participating in the decision-making process for quorum or voting purposes.
- 5.7 No objection shall be made to the validity of any vote except at the meeting at which such vote shall be tendered and every vote not disallowed at such meeting shall be valid. The chair of the meeting shall be the sole and absolute judge of the validity of every vote tendered at any meeting.
- 5.8 The accidental omission to give notice of a meeting to or the non-receipt of a notice of a meeting by any Member of the Institution entitled to attend thereat, or the attendance and voting at any meeting of any person or organisation subsequently found not to have been entitled so to attend and vote, and any other

defect in the convening, calling and conduct of the meeting shall not invalidate the proceedings thereat.

6. No Full Member shall be entitled to vote through its Voting Representative at any Annual General Meeting or other general meeting or on a poll unless all moneys (excluding trading debts incurred in the ordinary course of activities of the Institution which are not overdue as to payment) presently payable by him or her or it to the Institution pursuant to these Bye Laws or any regulations made by the Council have been paid.
7. The Chair may with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.
8. The Full Members shall be entitled to pass any resolution that they could validly pass at a General Meeting by a written resolution signed by the majority needed to pass the resolution at such a General Meeting and so that such resolution can consist of one or a number of documents in the like form signed by such requisite majority.

9. **THE COUNCIL**

- 9.1 At least four meetings of the Council shall be held in every calendar year at such time and place as may be determined by the Council and not more than four months shall elapse between the date of one Council meeting and the date of the next.

- 9.2 The first members of Council and their terms of office shall be:

Professor Amanda Broderick until 30th November 2015

Professor Simon Collinson until 30th November 2016

Jerry Forrester until 30th November 2015

Professor Jane Harrington until 30th November 2016

Professor Angus Laing until 30th November 2016

Professor Simon Lilley until 30th November 2015

Professor Robin Mason until 30th November 2016

Professor Peter Moizer until 30th November 2016

Professor Kai Peters until 30th November 2016

- 9.3 Appointment or re-appointment of members of Council shall be made at an Annual General Meeting or if it becomes necessary at a General Meeting.
- 9.4 No person shall be appointed or re-appointed a member of Council unless that person is a Voting Representative and unless not less than twenty-one days' before the date of an Annual General Meeting (or if no Annual General Meeting is then planned then at any time) written notice executed by two other Voting Representatives has been given to the Institution of the intention to propose the said person for appointment or re-appointment stating his or her particulars together with confirmation by the said person of his or her willingness to be appointed or re-appointed.
- 9.5 Not less than ten days' before the date appointed for holding the relevant Annual General Meeting (or if no Annual General Meeting is then planned then the Council shall as soon as reasonably practicable convene a general meeting for the purposes of considering the appointment by giving at least fourteen days' before the date appointed for holding the relevant general meeting) notice shall be given to all who are entitled to receive notice of the meeting of any person in respect of whom notice has been duly given to the Institution of the intention to propose them as a member of Council. The notice shall give the particulars of that person.
- 9.6 In addition the Council may co-opt further individuals (who need not be Voting Representatives) as observers at the Council who can assist the members of Council in discharging their duties and to assist in the smooth running of the Institution. They have no formal responsibility for the operation of the Institution and shall have no vote. The Council may exclude such observers from some or all of Council meetings and from the receipt of Council papers.
- 9.7 A member of the Council shall vacate office immediately if:
- 9.7.1 they cease to be a Voting Representative of any Full Member; or
 - 9.7.2 they become prohibited by law from being a charity trustee; or
 - 9.7.3 if they are appointed as an employee or officer of the Institution whilst a member of Council;
 - 9.7.4 they become bankrupt or make any arrangement or composition with their creditors generally; or

- 9.7.5 a registered medical practitioner who is treating that person gives a written opinion to the Institution stating that that person has become physically or mentally incapable of acting as a member of Council and may remain so for more than three months; or
- 9.7.6 they resign their office by one month's notice to the Institution; or
- 9.7.7 they fail to attend 2 consecutive meetings of the Council without the provision of a reason for their absence acceptable to the Chair provided in advance of the meeting.
- 9.8 Subject to the provisions of Charter and the Bye Laws the operations of the Institution shall be managed by the Council who may exercise all the powers of the Institution. The Council may regulate their proceedings at they think fit. Questions arising at a meeting shall be decided by a majority of votes. The Chair shall have a second or casting vote.
10. The Chair shall be Chair of the Institution and the Council and may at their option be chair of any other committee upon which they may serve. If the Chair is unwilling to preside at a meeting of Council or is not present within five minutes after the time appointed for the meeting the Vice-Chair shall be Chair of the meeting but in their absence or unwillingness to preside the members of Council present may appoint one of their number to be Chair of the meeting.
- Any delegated authorities provided by the Council to the Chair, Vice-Chair, Treasurer and committees shall be approved at least annually by the Council and recorded in a separate document (called the Governance and Management document) which document shall be sent annually to the Full Members.
11. Subject to the powers of the Management Board the Council may delegate any of their powers to any committee consisting of one or more members of Council or other persons as they may select provided that the number of such other persons does not exceed a minority of the quorum for meetings of such committees. They may also delegate to the Chair such of their powers as they consider desirable to be exercised by him or her. Any such delegation may be made subject to any conditions Council may impose and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions the proceedings of a committee shall be governed by regulations approved by Council from time to time. All acts and proceedings of such committees shall be reported back to Council as soon as possible.
12. The proceedings of Council shall not be invalidated by any failure to elect or any defect in the election appointment co-option or qualification of any member.
13. The Council may appoint and (if appointed) shall fix the remuneration of a Chief Executive and of all such other staff as may in their opinion be necessary.

14. Any member of Council may participate in a meeting of Council or a committee constituted pursuant to these Bye Laws of which he or she is a member by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting and 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 chairperson of the meeting then is.
15. Notwithstanding any vacancies in their number, the continuing members of Council or where there is only one, the sole continuing member of Council, may continue to act but, if the number of members of Council is less than the number fixed as the quorum they (or in the case of a sole member of Council he/she), may act only for the purpose of filling vacancies, or of calling a general meeting.
16. All acts done by any meeting of the Council or of a committee of the Council constituted pursuant to these Bye Laws or by any person acting as a member of Council shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of member of Council or person acting as aforesaid, or that they or any of them were disqualified from holding office or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a member of Council and had been entitled to vote.
17. A resolution in writing, signed by all the members of Council entitled to receive notice of a meeting of Council or of a committee of Council constituted pursuant to these Bye Laws shall be as valid and effectual as if it had been passed at a meeting of the Council or (as the case may be) such a committee duly convened and held and may consist of several documents in the like form each signed by one or more members of Council or members of the committee (as the case may be).
18. The proceedings of each meeting of the Council including the period of notice to be given to members of the Council; the person to act as chair at meetings of the Council; voting rights at such meetings, and all other matters incidental thereto, shall be determined by or in accordance with regulations made by the Council from time to time.
19. Council shall be comprised, so far as reasonably possible by persons having a balance of skills necessary in order to conduct the Institution.
20. The members of Council shall be entitled to reasonable and proper out-of-pocket expenses in accordance with the policy set by Council from time to time. Members

of Council shall not be entitled to any remuneration without the consent of the Charity Commission.

21. The Council shall cause minutes to be kept for the purpose:

21.1.1 of all appointments of officers made by the Council; and

21.1.2 of all proceedings at meetings of the Institution and of the Council and of committees of Council including the names of the members of Council present at each such meeting and shall circulate copies of all minutes to all members within thirty days of the date of each meeting.

22. The members of Council must ensure that the Institution keeps a record for at least 10 years from the date of the decision recorded, of every decision taken by the Council.

23. DECLARATIONS OF INTEREST AND CONFLICTS OF INTEREST

23.1 A Member of Council or any committee of Council must declare the nature and extent of any interest, direct or indirect, which he or she has in a proposed transaction or arrangement with the Institution or in any transaction or arrangement entered into by the Institution which has not previously been declared. A Member of Council must absent himself or herself from any discussions of the Council in which it is possible that a conflict will arise between his or her duty to act solely in the interests of the Institution and any personal interest (including but not limited to any personal financial interest).

23.2 Save as otherwise provided by these Bye Laws a Member of Council shall not vote at a meeting of Member of Council or of a committee of Council on any resolution concerning a matter in which they have directly or indirectly any interest or duty which is material and which conflicts or may conflict with the interests of the Institution. For the purposes of these Bye Laws an interest of a person who is for any purpose of the Companies Act 2006 connected with a director shall be treated as an interest of the member of Council.

23.3 A Member of Council shall not be counted in the quorum present as a meeting in relation to a resolution on which they are not entitled to vote.

23.4 If a proposed decision of the Council is concerned with an actual or proposed transaction or arrangement with the Institution in which a Member of Council is interested, that Member of Council is not to be counted as participating in the decision-making process for quorum or voting purposes.

23.5 This paragraph applies when:

23.5.1 the Institution by ordinary resolution at general meeting disapplies the provision of the Bye Laws which would otherwise prevent a Member of

- Council from being counted as participating in the decision-making process;
- 23.5.2 the Member of Council's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
- 23.5.3 the Member of Council's conflict of interest arises from a permitted cause.
- 23.6 For the purposes of this Bye Law, the following are permitted causes:
- 23.6.1 a guarantee given, or to be given, by or to a Member of Council in respect of an obligation incurred by or on behalf of the Institution or any of its subsidiaries;
- 23.6.2 subscription, or an agreement to subscribe, for securities of the Institution or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such securities; and
- 23.6.3 arrangements pursuant to which benefits are made available to employees and Members of Council or former employees and Members of Council of the Institution or any of its subsidiaries which do not provide special benefits for Members of Council or former Members of Council.
- 23.7 Subject to Bye Law 23.8, if a question arises at a meeting of the Council or of a committee of the Council as to the right of a Member of Council 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 Chair whose ruling in relation to any Member of Council other than the Chair is to be final and conclusive.
- 23.8 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the Chair, the question is to be decided by a decision of the Council at that meeting, for which purpose the Chair is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.
- 23.9 If a conflict of interests arises for a Member of Council because of a duty of loyalty owed to another organisation or person and the conflict is not authorised by virtue of any other provision of these Bye Laws, the unconflicted Members of Council may authorise such a conflict of interests where the following conditions apply:
- 23.9.1 the conflicted Member of Council is absent from the part of the meeting at which there is discussion of any arrangement or transaction affecting that organisation or person;

- 23.9.2 the conflicted Member of Council does not vote on any such matter and is not to be counted when considering whether a quorum of Member of Councils is present at the meeting; or
- 23.9.3 the unconflicted Members of Council consider it is in the interests of the Institution to authorise the conflict of interests in the circumstances applying.
- 23.10 For the purpose of these Bye Laws a Member of Council shall be deemed not to be interested in any contract or arrangement or any matter arising if his or her interest therein arises solely by virtue of that Member of Council being a member, member of Council, director, chief executive, officer or representative of a Full Member or a member of a Institution in which he or she holds not more than one per cent of the capital.
- 23.11 There shall be a Register of Members of Councils' Interests maintained by the Council. The Council shall make procedures for the declaration of interests from time to time. The Register shall be made available for inspection on request by any member of Council or any Full Member.

24. CHAIR AND OFFICERS

- 24.1 The Chair (who shall be a Member of Council) shall hold office until the conclusion of the Annual General Meeting of the Institution up to three years after the commencement of their term of office. The Chair shall not hold office for more than two terms of three years. The first Chair shall be Professor Angus Laing who shall hold office until 30th November 2016.

The Council shall elect a Chair, except the first, at a Council meeting preceding the Annual General Meeting at which the term of office of then current Chair will expire.

The Chair shall remain on the Council for the duration of their three year term of office, and shall not be required to stand for re-election to the Council during their tenure as Chair.

- 24.2 A Vice-Chair shall be elected by the Council (who shall be a Member of Council) shall hold office until the conclusion of the Annual General Meeting of the Institution up to three years after the commencement of their term of office. The Vice-Chair shall not hold office for more than two terms of three years. The first Vice-Chair shall be Professor Jane Harrington who shall hold office until 30th November 2016.

The Council shall elect a Vice-Chair, except the first, at a Council meeting preceding the Annual General Meeting at which the term of office of then current Vice Chair will expire.

24.3 A Treasurer shall be elected by Council (who shall be a Member of Council) shall hold office until the conclusion of the Annual General Meeting of the Institution up to three years after the commencement of their term of office. The Treasurer shall not hold office for more than two terms of three years. The first Treasurer shall be Professor Kai Peters who shall hold office until 30th November 2016.

The Council shall elect a Treasurer, except the first, at a Council meeting preceding the Annual General Meeting at which the term of office of then current Treasurer will expire.

24.4 A Secretary to Council shall be appointed by Council (who shall not be a Member of Council) to provide secretarial and clerking services to the Council, members of the Institution and committees of Council. The remit and terms of appointment of the Secretary shall be determined by Council. The first Secretary shall be Giovanna Bono.

24.5 A Chief Executive shall be appointed by Council (who shall not be member of Council) to act as chief executive of the Institution. The remit and terms of appointment of the Chief Executive shall be determined by Council. The first Chief Executive shall be Anne Kiem.

24.6 The Council shall from time to time be entitled to create such other offices (whether honorary or otherwise) on such terms as it sees fit subject to approval by the Full Members in General Meeting. The method of appointment and removal of such officers of the Institution, their role and remit, length of appointment and other terms of office shall be as specified in regulations made or approved by the Council from time to time.

25 THE CHARTER AWARDS

25.1 The Institution shall run the Charter Awards as hereinafter set out in this Bye Law 25.

25.2 The Charter Awards and any other initiatives approved by the Council from time to time as being suitable shall be exclusively administered by the Management Board (which shall not be regarded as a committee of the Board) which shall initially be comprised of the following persons and terms of office (all of whom shall be entitled to one vote on all matters except in relation to any matter relating to the Charter Awards for which only the persons noted below shall be entitled to vote):

25.2.1 one shall be the Chair appointed pursuant to Bye Law 25.7 below who shall be entitled to vote;

25.2.2 one shall be the Vice Chair appointed pursuant to Bye Law 25.8 below who shall be entitled to vote;

- 25.2.3 up to six persons (“Business School Members”) shall be appointed pursuant to Bye Law 25.9 below all of whom shall be entitled to vote;
- 25.2.4 up to six persons (“SME Members”) shall be appointed pursuant to Bye Law 25.10 below all of whom shall be entitled to vote;
- 25.2.5 one person nominated by The Department for Business, Innovation & Skills (or any successor body responsible for enterprise) which person shall not be entitled to vote;
- 25.2.6 the person appointed as patron of the Charter Awards (“the Patron”) pursuant to Bye Law 25.11 below which person shall not be entitled to vote;
- 25.2.7 the Chair of the Institution appointed pursuant to Bye Law 24.1 above who shall not be entitled to vote;
- 25.2.8 the Chief Executive of the Institution from time to time who shall not be entitled to vote; and
- 25.2.9 the executive director of the Charter Awards appointed under Bye Law 25.12 below from time to time who shall not be entitled to vote and who shall act as secretary to the Board.

The initial composition of the Management Board shall be as follows:

Name	Role and member type	Term of office expiry date	Voting or Non Voting
Sir Peter Bonfield	Chair	31 st March 2017	Voting
Mr David Laurie	Vice Chair	31 st March 2017	Voting
Professor Andrew Likierman	Business School Member	31 st March 2015	Voting
Professor Susan Hart	Business School Member	31 st March 2015	Voting
Professor Mark Hart	Business School Member	31 st March 2016	Voting
Professor Martin Binks	Business School Member	31 st March 2016	Voting
Mr Jerry Forrester	Business School Member	31 st March 2017	Voting

Professor Simon Collinson	Business School Member	31 st March 2017	Voting
Mr Graeme Radcliffe	SME Member	31 st March 2015	Voting
Mr Michael Hayman	SME Member	31 st March 2015	Voting
Ms Rekha Mehr	SME Member	31 st March 2015	Voting
Mr Stuart Miller	SME Member	31 st March 2015	Voting
Ms Viv Parry	SME Member	31 st March 2015	Voting
Ms Gemma Clarke	SME Member	31 st March 2015	Voting
The Lord Young of Graffham	Patron of the Charter Awards	Lifetime	Non-voting
Professor Angus Laing	Chair of the Institution	Ex officio	Non-voting
Ms Harriet Booker	Nominated by The Department for Business Innovation & Skills	Until further notice	Non-voting
Ms Anne Kiem	Chief Executive of the Institution	Ex officio	Non-voting
Mr Ian McNaught	Executive Director of the Charter Awards	Ex officio	Non-voting

25.3 In addition to the persons set out above the Management Board shall have the power to co-opt person(s) to the Management Board on such terms and for such periods as it may specify but so that no such co-opted person(s) shall be entitled to vote at the Management Board.

25.4 The Management Board shall have the power to permit person(s) to attend meetings of the Management Board as observers on such terms and for such periods as it may specify but so that no such observers shall be entitled to vote at the Management Board.

- 25.5 No member of the Management Board shall be entitled to appoint an alternate to represent them at meetings of the Management Board or to delegate any of their rights and responsibilities as a member of the Management Board to any person.
- 25.6 Except where a role is an ex officio one (where the incumbent shall be deemed to have automatically resigned upon ceasing to hold that office), and the Patron who can be appointed for such term as the Management Board specify, all other members of the Management Board shall hold office for three years and may be appointed for a further three years, not exceeding six years in total.
- 25.7 The Chair (except the first Chair) shall be appointed following a process approved by the Management Board from time to time but so that such process shall involve external advertisement and that the Chair shall be independent of any member of the Institution. The first Chair shall be Sir Peter Bonfield who shall be appointed for a term of three years.
- 25.8 The Management Board shall appoint a vice chair ("Vice Chair") from its voting members or as an additional appointment following a process approved by the Management Board from time to time for a term of up to three years. The Vice Chair shall act as Chair where the Chair is otherwise unable to act as Chair. The first Vice Chair shall be David Laurie who shall be appointed for a term of three years.
- 25.9 The Business School Members shall be drawn from persons employed or engaged by Full Members following a process to be approved by the Management Board from time to time but so that the first Business School Members and the terms of office shall be set so that two are appointed for three year terms, two for two year terms and two for one year terms.
- 25.10 The SME Members shall be drawn from persons independent of any member of the Institution having recent experience of working with or for SMEs or who owns an SME (being an enterprise which employs fewer than 250 persons and which has an annual turnover not exceeding 50 million euro, and/or an annual balance sheet total not exceeding 43 million euro (or such other definition as the European Commission may adopt from time to time)) ("SME") and following a process to be approved by the Management Board from time to time but so that the first Business School Members shall be appointed by the Management Board and serve a one year term of office so that by the end of that one year term of office appointments can be made under the process to be approved by the Management Board.
- 25.11 The Management Board shall be entitled to appoint a person of significant and relevant standing to support the Charter Awards. Such person shall be titled the Patron and shall have such duties (if any) and rights (if any) as may be approved

by the Management Board from time to time. The first such Patron shall be Lord Young of Graffham.

- 25.12 The Management Board in conjunction with the Chair and Chief Executive of the Chartered ABS shall appoint an executive director to administer both the Charter Awards and the operation of the Management Board on such terms and conditions as they see fit.
- 25.13 The Management Board shall be responsible for agreeing the structure, strategy, fee structure, policies, criteria and procedures for the Charter Awards made including, without limitation the category and title of each award and the manner of a person applying for and being awarded or not such a Charter Award, the term of such Charter Award and its removal, withdrawal or replacement. The Management Board shall also be responsible for agreeing the structure, strategy, fee structure, policies, criteria and procedures for any other initiatives approved by the Council from time to time. Such responsibilities shall be exercised through regulations approved by the Management Board from time to time but so that only the voting members of the Management Board (excluding any such person who has a conflict of interest) shall be entitled to be involved in the giving or removal of Charter Awards and the non voting members shall have no involvement therein.
- 25.14 The Management Board shall use all reasonable endeavours to ensure the Charter Awards is self funding as soon as practicable (taking in to account both any grant funding provided by The Department for Business, Innovation and Skills or any other body and any commercial sponsorship received) but so that the Management Board shall in no circumstances set a deficit budget for the Charter Awards. In the event that it is not self funding by 31st March 2016 or thereafter such that it becomes a drain on the other resources of the Institution which the Council do not approve then the Council shall have the right to close the Charter Awards provided that they first permit the Management Board at least six months to either find the resources needed from outside the Institution or to find another body willing to take on and run the Charter Awards.
- 25.15 The Management Board shall have a responsibility to maximise and maintain the status of the Charter Awards. In addition the Management Board shall use its reasonable endeavours to link the Charter Awards as a link to incentives provided by or through the United Kingdom Government. Each member of the Management Board shall carry out their responsibilities as if they were a charity trustee. In the event that such member does not fulfil such responsibilities then the Council shall be entitled to remove such member by notice to that effect.
- 25.16 The Management Board shall be entitled to establish and maintain such committees and stakeholder groups as it sees fit to provide support to the Charter Awards and other initiatives led by the Management Board. The composition of,

terms of reference, remit and operations of such committees or stakeholder groups shall be in the discretion of the Management Board from time to time but so that no powers of the Management Board shall be delegated to such committees or stakeholder groups.

- 25.17 The Management Board shall have a rigorous conflicts of interest policy to ensure that no decision in respect of any Charter Award is made by any person who has any connection, indirect or direct, with a recipient of a Charter Award or that in respect of any other initiative run by the Management Board from time to time that no decisions in respect thereof are made by any member of the Management Board where such person has or may have a conflict of interest.
- 25.18 No member of the Management Board shall be entitled to receive any remuneration for their role. The reimbursement of reasonable expenses incurred in attending meetings of the Management Committee shall be permitted. Otherwise and save as set out in these Bye-laws the Management Board shall regulate their proceedings (including quorum and methods of convening and holding meetings) as they see fit from time to time.
- 25.19 Separate accounts shall be kept by the Institution through the Management Board in respect of the income and expenditure of the Charter Awards. To the extent any surpluses are made in respect of the Charter Awards then such surpluses shall be utilised in a manner approved by the Management Board directly to assist in the development and dissemination of best practice including research, promotions and activity that supports building the capacity of United Kingdom business schools to help SMEs.

26 **INDEMNITY**

The members of the Council, committees, Management Board, the Chair, Vice Chair, Treasurer, Chief Executive and other officers and servants of the Institution shall be indemnified out of the funds of the Institution against any expenses or liability incurred by them in or about the discharge of their respective duties, unless arising from their own negligence or default.

27 **SEAL**

The seal of the Institution ("the Seal") shall only be used by the authority of the Council or of a committee of Council authorised by Council. Council may determine who shall sign any instrument to which the Seal is affixed and unless otherwise so determined it shall be signed by a member of Council and by the Chief Executive or by two members of Council.

28. **FINANCE**

- 28.1 The funds of the Institution shall be applied wholly with a view to the promotion of the objects of the Institution provided that nothing contained in this constitution shall prevent the payment in good faith of reasonable and proper remuneration to any employee of the Institution or the repayment of reasonable out-of-pocket expenses of staff or members of Council, or for providing indemnity insurance to cover the liabilities of employees and members of Council and committees of Council provided that any such insurance shall not extend to any claim arising from liability resulting from conduct which the insured knew, or must be assumed to have known, was not in the best interests of the Institution, or where the insured did not care whether such conduct was in the best interests of the Institution or not and provided also that any such insurance shall not extend to any claim arising from liability for the costs of unsuccessfully defending criminal prosecutions for offences arising out of the fraud or dishonesty or wilful or reckless misconduct of the insured.

The administration of all funds of the Institution shall be subject to the control of the Council.

- 28.2 The Council shall have power to prescribe the persons or committees which shall have power to give receipts for money and to sign cheques and to enter into contracts and to impose liabilities upon the Institution and to pledge the credit of the Institution.
- 28.3 The Council shall cause proper books of account and records to be kept with respect to:
- 28.3.1 all sums of money received and expended by the Institution and the matters in respect of which the receipt and expenditure takes place;
 - 28.3.2 all sales and purchases of goods and services by the Institution; and
 - 28.3.3 the assets and liabilities of the Institution.
- 28.4 A bank account shall be opened and maintained in the name of the Institution with such bank as the Council shall from time to time decide. Council shall authorise the Chair of the Institution and any members of Council or others to sign cheques on behalf of the Institution. The Directors shall decide on the form of mandate to give to the bank from time to time. Council are authorised to approve borrowing arrangements with the bank as required (for example for the provision of an overdraft facility) to sustain the smooth operation of the Institution.
- 28.5 No member shall (as such) have any right of inspecting any accounting records or other book or document of the Institution except as conferred by statute or authorised by the Council or by ordinary resolution of the Full Members.

29 AUDITORS

- 29.1 The Council shall appoint an auditor or auditors. Every such auditor shall be a member of a body of accountants established in the United Kingdom and for the time being eligible for appointment as a Institution auditor.
- 29.2 The auditor or auditors shall hold office for one year or until their resignation and shall be eligible for reappointment and shall receive such remuneration and be engaged on such terms as may be determined by the Council.
- 29.3 The Council shall ensure that at least once in every year the accounts of the Institution shall be audited and the audited accounts published.

30 NOTICES

- 30.1 A notice and other documents may be given or sent by the Institution to any Member or Council member or officer or other person either personally or by sending it by post or electronic mail to that member's registered address or by posting it to a website.
- 30.2 Where a notice or other document is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting an envelope or wrapper containing the notice, and to have been effected in the case of a notice of a meeting at the expiration of forty-eight hours after the envelope or wrapper containing the same shall have been posted, but in any other case at the time at which the envelope or wrapper would be delivered in the individual course of post
- 30.3 Where a notice is sent to a person by electronic mail or by posting to a website, service of the notice shall be deemed to have been effected where it shall be apparent on the sender's equipment that the mail has been sent to the registered address of that person or appears on that website (as the case may be).

31 REGULATIONS

The Council may from time to time make such rules by regulation as it may deem necessary or expedient or convenient for the proper conduct and management of the Institution which are not inconsistent with the Charter or Bye Laws of the Institution.