

## **ARTICLES OF ASSOCIATION**

In terms of the Companies Act 1973  
of the Republic of South Africa

## **THE INSTITUTE OF PEOPLE MANAGEMENT**

Registration number 1999/011127/08  
An Institute incorporated under Section 21  
and not having a share capital under Section 60(i), Regulation 18.

The Articles of Table A and B contained in Schedule 1 to the Companies Act, 1973, shall not apply to the Institute.

## **1. INTERPRETATION**

1.1. In these Articles of Association, the words and expressions following have the meanings hereinafter assigned to them as respectively:

- 1.1.1. "Companies Act" means the Companies Act, 1973, as amended;
- 1.1.2. "Institute" means The Institute of People Management;
- 1.1.3. "Member" means a Member of the Institute as defined;
- 1.1.4. "Board" means the Board of Directors of the Institute;
- 1.1.5. "Independent Directors" means a director appointed with the aim of bringing in broader views, understanding of relevant strategic issues and achieving balance in the Board;
- 1.1.6. "Board Charter" means the charter setting out the roles, functions, responsibilities and powers of the Board.
- 1.1.7. "Policies and Procedures" means the policies and procedures of the Institute as amended from time to time and approved by the Board;
- 1.1.8. Words signifying the masculine gender shall include the feminine gender, words importing persons shall include bodies corporate, words in the singular number shall include the plural and words in the plural shall include the singular number.

1.2. The interpretation of these articles shall be given by the Board, whose decision shall be binding on all Members.

## **2. MEMBERS**

2.1. The Board shall from time to time determine the categories, eligibility and prerequisites of Membership. These shall be defined in the Policies and Procedures.

2.2. The rules for Membership, including the removal of a member, shall be set out in the Policies and Procedures.

## **3. SUBSCRIPTIONS**

Every Member shall pay to the Institute such annual subscriptions and special subscriptions of such amounts as have been approved by the Board, on the basis laid out in the Policies and Procedures.

#### **4. GENERAL MEETINGS**

- 4.1. A general meeting of the Institute shall be held at least once a year, known as the Annual General Meeting (AGM), at such time and place as may be prescribed by the Board, but no later than 12 (twelve) months after the end of the previous financial year.
- 4.2. The Annual General Meeting of the Institute shall, at a minimum:
  - 4.2.1. consider and approve the Annual Financial Statements;
  - 4.2.2. confirm appointments to the Board of Directors;
  - 4.2.3. approve the appointment of Auditors;
  - 4.2.4. attend to such other business as is prescribed by statute or by these articles;
  - 4.2.5. attend to such other matters as are raised by a Member to appear on the agenda of the Annual General Meeting.
- 4.3. Other general meetings may be convened by the Board whenever it thinks fit or by a requisition by 100 Members or by Members representing not less than one-twentieth of the total voting rights of all the Members of the Institute, whichever is the lower.
- 4.4. Notice of such meetings will be served to Members at least 21 (twenty-one) full days before the meeting by the means described in the Policies and Procedures.
- 4.5. The unintended omission to give notice of a meeting to any person entitled to receive such notice shall not invalidate the proceedings of that meeting.

#### **5. VOTING AT GENERAL MEETINGS**

- 5.1. A quorum at a general meeting of Members shall consist of not less than 3% (three percent) of Members entitled to vote, personally present.
- 5.2. Should a quorum not be present the meeting shall be adjourned and a new meeting called for at a date not less than 14 (fourteen) days, but not more than 28 (twenty-eight) days, from the day of the adjourned meeting. At the later meeting those Members present shall form a quorum, irrespective of their number.
- 5.3. Every Member present in person at any meeting of the Institute shall have 1 (one) vote. Every Member present by proxy at any meeting of the Institute shall also have 1 (one) vote.
- 5.4. Proxies shall be lodged with the Institute Auditors at least 48 (forty-eight) hours prior to the hour fixed for the meeting at which the same are intended to be acted upon. The instrument appointing a proxy shall be in such a form as set out in the Policies and Procedures.

#### **6. BRANCHES AND REGIONS**

- 6.1. The Board may establish offices of the Institute, to be known as branches, on such a basis as the Board may determine to best meet the needs of the Members.
- 6.2. Branches may only be closed with the approval of the Board.

- 6.3. Branches may develop their own operational regulations with the proviso that they shall never be in conflict with these Articles of Association nor shall they be in conflict with the Policies and Procedures.
- 6.4. All assets of the branches belong to the Institute and may be used in the interest of the Members in that branch for the advancement of the interest and objectives of the Institute.
- 6.5. Each Branch will affiliate to a regional structure determined by the Board from time to time.
- 6.6. Each Region will be governed by a committee consisting of the chairpersons of the constituent branches. This committee will choose a chairperson from among its members.
- 6.7. The chairpersons of the Regions will meet at least once a year in a Regions Forum meeting. This meeting will choose a chairperson from amongst themselves. The President and CEO will be in attendance at these meetings.

## **7. DIRECTORS**

- 7.1. The number of directors of the Institute shall not be less than 8 (eight) and not more than 12 (twelve).
- 7.2. The Board shall consist of the following Directors:
  - 7.2.1. the President;
  - 7.2.2. the CEO (ex officio);
  - 7.2.3. up to 10 (ten) appointed Directors, of which 3 (three) may be appointed vice presidents and up to 4 (four) may be Independent Directors.

## **8. APPOINTMENT OF DIRECTORS**

- 8.1. A Regions Forum meeting shall appoint 10 (ten) Directors who need not be members of the Regions Forum meeting and may include any Member of the Institute. The Board may propose up to 4 (four) Independent Directors to be included in these 10 Directors.
- 8.2. Up to three of the ten Directors appointed by the Regions Forum meeting may be appointed as Vice Presidents.
- 8.3. The process for electing Directors shall be set out in the Board Charter on the basis of a democratic, transparent process involving the Membership structures.
- 8.4. Directors term of office shall be as follows:
  - 8.4.1. All Directors shall serve for a term of 2 (two) years from the date of the Annual General Meeting that confirmed the appointment.
  - 8.4.2. Directors may be elected for a second term of two years, but will not be eligible for another term until a period of at least two years has elapsed from the previous term of office.

8.5. Should an elected Director resign from the Board during the course of his term of office, or his term of office be prematurely terminated under any circumstances, then the Regions Forum meeting shall elect a replacement Director. Until such time as the Regions Forum has been established, the Board of Directors is to appoint replacement Directors. A Director so elected shall hold office until the expiry of the term of office of the replacement Director.

8.6. The office of Director shall be vacated if:

8.6.1. he resigns;

8.6.2. he becomes insolvent;

8.6.3. he is removed from any other office of trust on account of misconduct;

8.6.4. he becomes of unsound mind;

8.6.5. he is absent from three Board meetings annually without apology and good cause;

8.6.6. he is removed by the Members in terms of the process laid out in section 220 of the Companies Act;

8.6.7. he has been convicted of fraud, theft, forgery, perjury, or any offence involving dishonesty.

## **9. APPOINTMENT OF PRESIDENT**

9.1. A Regions Forum meeting shall normally select a President from the membership of the current serving Board.

9.2. The President shall serve for a term of 2 (two) years from the date of the Annual General Meeting that confirmed the appointment.

9.3. The President may be elected for a further 1 (one) year term.

9.4. Should the President resign from the Board during the course of his term of office, or his term of office be prematurely terminated under any circumstances, then a Regions Forum meeting shall appoint a new President. The new President shall remain in office for the remaining term of the outgoing President.

## **10. PROCEEDINGS OF THE BOARD**

The proceedings of the Board, and any committees of the Board, shall be determined by the Board Charter.

## **11. DUTIES OF DIRECTORS**

11.1. The general control and direction of the strategy and affairs of the Institute shall be vested in the Board, whose duty it shall be to administer the affairs of the Institute in accordance with these Articles.

- 11.2. The Institute and the Board are expected to adhere at all times to the very highest standards of probity and corporate governance best practice, so as to uphold and enhance the standing of the profession and to provide leadership by example. In particular, the Directors shall all be bound by the requirements of the Companies Act and other relevant legislation, and shall be expected to implement good corporate governance and adhere to other relevant best practices as far as is practical.
- 11.3. The President shall be the Chairman of the Board and, when present, shall preside at all meetings of the Board in accordance with the Board Charter.
- 11.4. The Chief Executive Officer shall be responsible for the enforcement of the provisions of these Articles of Association and of the general operations of the Institute in terms of the Policies and Procedures.
- 11.5. The Board shall make all reasonable effort to keep Members informed of all developments of the Institute.

## **12. REMUNERATION OF DIRECTORS**

Directors shall not be remunerated for their services as Directors, but may claim out of pocket expenses incurred while attending to Institute matters, in accordance with the Policies and Procedures.

## **13. FINANCIAL PROVISIONS**

- 13.1. The Board shall cause such books of accounts to be kept as are prescribed by Section 284 of the Companies Act or any amendment thereof. The said books shall be subject to proper and regular audit as contemplated by law. Specifically, statutory auditors shall be appointed and their duties regulated in accordance with Section 270 of the Companies Act or any statutory modifications thereto.
- 13.2. The books of account shall be kept at the registered office of the Institute or at such other place or places as the Board may think fit, and shall be open to the inspection of any Member during normal office hours and with 24 hours notice.
- 13.3. The board shall, from time to time, in accordance with Section 286 of the Companies Act or any amendment thereof, cause to be prepared and audited such Annual Financial Statements as are referred to in that section, in compliance with Generally Accepted Accounting Practice. These Statements shall be published on the Institute's website at least twenty-one (21) days before the annual general meeting, Members shall be informed of the availability thereof in the notice of the annual general meeting, and the Annual Financial Statements shall be submitted to the Members at the annual general meeting for discussion and approval.

13.4. Detailed provisions for the management of the activities of the Institute shall be defined in the Policies and Procedures of the Institute, with the proviso that the Policies and Procedures may never be in conflict with any relevant statute, nor with these Articles of Association.

#### **14. WINDING UP**

If the Institute shall be wound up the liquidator shall comply with the provisions of clauses 5 (a) and 6.2 of the Institute's Memorandum of Association.