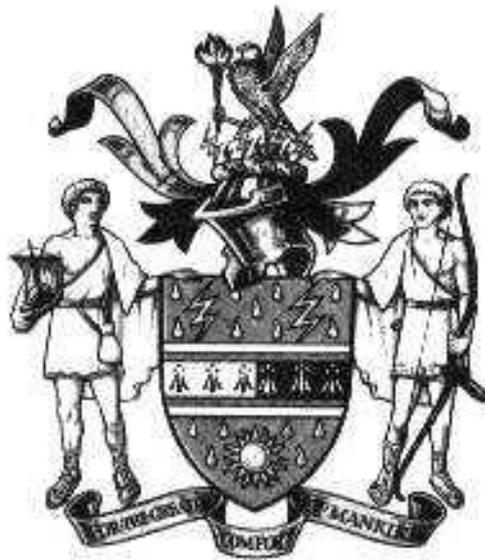


The Chartered Institution of Building Services Engineers



ROYAL CHARTER AND BY-LAWS

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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 the Institution of Heating and Ventilating Engineers have most humbly prayed that We would be pleased to grant them a Charter of Incorporation:

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

1. A body politic and corporate by the name of "The Chartered Institution of Building Services Engineers" (hereinafter called "the Institution") is hereby constituted which shall by the said name have perpetual succession and a Common Seal with full power and authority to alter, vary, break and renew the said Seal from time to time as its discretion and by the same name shall and may sue and be sued in every Court of Us, Our Heirs and Successors, and in all manner of actions and suits, and subject to the provisions of this our Charter shall have power to do all other matters and things incidental or appertaining to a body corporate.

2. The objects of the Institution shall be:-

- (I) The promotion for the benefit of the public in general of the art, science and practice of such engineering services as are associated with the built environment and with industrial processes, such art, science and practice being hereinafter called "building services engineering"; and,
- (II) The advancement of education and research in building services engineering, and the publication of the useful results of such research.

For those purposes but for no other purposes the Institution shall have the following powers:

- (a) to encourage and support inventions;
- (b) to organise and hold meetings, public meetings, lectures, displays, film shows, conferences and other arrangements for reading, consideration and discussion and to publish and communicate information;

- (c) to establish scholarships, to hold examinations, to grant premiums and prizes for papers and essays and to promote research and other similar means of enlarging knowledge and promoting improvement;
- (d) to establish, form and maintain libraries and collections of models, designs, drawings and other articles of interest;
- (e) to facilitate the exchange of information and ideas among the members of the Institution and others and to diffuse information on all matters affecting building services engineering and to print, publish, issue and circulate such papers, periodicals, books, circulars, engineering data and other literary undertakings as may seem conducive to any of the objects of the Institution;
- (f) to co-operate with Departments of our central Government, local authorities and associations thereof, learned societies, Universities, Colleges and public and other educational institutions and authorities in the furtherance of education and the dissemination of knowledge and to give such bodies facilities for conferring with and ascertaining the views of members of the Institution and other persons engaged in building services engineering as regards matters directly or indirectly affecting the same and to confer, send representatives to and communicate with all or any such bodies in regard to the same;
- (g) to examine, by such tests as it may require, the qualifications of candidates for any class of membership of the Institution or for any diplomas or certificates of competency which the Institution may award; and for that purpose to appoint examining Boards;
- (h) in the interests of building services engineering and of the community in general to procure and maintain the recognition of the status of professional engineers and technologists, incorporated engineers and technicians engaged in building services engineering except that the Institution shall not support with its funds any object or endeavour to impose on or procure to be observed by its members or others any regulation, restriction or condition which if an object of the Institution would make it a trade union;
- (i) to establish, undertake, superintend and act as trustee for any charitable fund whence may be made donations or advances to deserving persons who may be or have been engaged in building services engineering or connected with any persons engaged therein and to contribute to or otherwise assist any charitable funds or undertakings, provided that the Institution shall not contribute to any fund or undertaking from which any member of the Institution may derive pecuniary benefit;
- (j) to invest the moneys of the Institution not immediately required for its

purposes in accordance with the by-laws;

- (k) to borrow or raise money for the purposes of the Institution and to secure any moneys so borrowed or raised by debentures, mortgages or charges on all or any part of the property and assets of the Institution;
- (l) to appeal for, accept and receive any property, donations or subscriptions;
- (m) to purchase, take on lease or in exchange, hire or otherwise acquire for the purposes of the Institution any real or personal property and any interest therein whatsoever and any rights or privileges and to hold the same in perpetuity or otherwise; and to construct, maintain or alter any buildings or erections;
- (n) to sell, let, mortgage, dispose of or turn to account all or any of the property or assets of the Institution; and
- (o) to do all such other things as shall further the attainment of the above objects or any of them.

3 (1) The income and property of the Institution shall be applied solely towards the promotion of the objects and shall not be paid or transferred directly or indirectly in any form to any member of the Board or of the Institution, provided that nothing herein contained shall prevent the payment in good faith by the Institution

- (a) of reasonable remuneration to any member of the Institution (not being a member of the Board) for services actually rendered to it;
- (b) of reasonable out of pocket expenses properly incurred;
- (c) to a member or members of the Board of remuneration of such amounts as may, while and so long as the Institution is a charity at law, be approved by the Charity Commission;
- (d) to any member of the Board or to their firm or company of reasonable remuneration in respect of professional or specialist services supplied by him or her or by such firm or company to the Institution when instructed by the other members of the Board to supply such services;
- (e) of contributions to any charitable fund established under Article 2(i); and
- (f) of reasonable premiums for trustee indemnity insurance taken out in pursuance of Article 2(o).

(2) A member of the Board or their firm or company is also authorised to receive remuneration in respect of the supply of professional or specialist services to a wholly owned subsidiary of the Institution when instructed by the directors of such subsidiary to supply such services.

(3) At no time shall a majority of Board members receive remuneration under

Articles 3(1)(d) and 3(2), taken together, and a Board member shall withdraw from any meeting at which his or her instruction or remuneration, or that of the firm or company, is discussed.

4. The Institution may by resolution passed by not less than two-thirds of the corporate members of the Institution present in person or by proxy and voting at a General Meeting of which at least twenty-one days notice has been given enter into an agreement or agreements for amalgamation with any kindred charitable institution, association, society or body, contingent upon ratification thereof as hereinafter described. No such agreement for amalgamation and no such amalgamation shall take effect until it has been ratified by a ballot, which may be in postal or electronic form or a combination of those forms, of the corporate members of the Institution the majority of whom vote in favour of such amalgamation and then submitted to and allowed by the Lords of Our Most Honourable Privy Council of which allowance a certificate under the hand of the Clerk of Our said Council shall be conclusive evidence. Thereafter the members and classes of membership of the body corporate existing after such amalgamation shall be as prescribed by such agreement as so ratified. Notwithstanding the foregoing provisions relating to amalgamation the Institution may by its Board enter into agreement with any kindred institution, association, society or body to accept its members as members of the Institution and in such classes of membership as may be specified in the agreement: Provided always that if the terms of the agreement would involve an alteration in the by-laws the agreement shall be contingent upon such alteration being made in accordance with Article 9 hereof.

5. Subject to the provisions of this Our Charter and of the by-laws the government and control of the affairs and property of the Institution shall be vested in the Board of the Institution (herein called "the Board") which shall consist of such number of members with such qualifications and to be elected or constituted as such members of the Board in said manner and to hold office for such period and on such terms as to re-election and otherwise as the by-laws shall direct.

6. There shall be such classes of membership of the Institution, with such rights, including voting rights, privileges and obligations, as are specified from time to time in the By-Laws.

7. The Institution shall have such officers, with such tenure and functions, as may be specified in the By-Laws.

8. The management and control of the Institution shall be vested in the Board, which shall be constituted in accordance with the By-Laws. The Board may exercise all the powers of the Institution under this Our Charter (except those which are reserved to the members of the Institution in general meeting), and shall in addition have power

(a) to make Regulations for any purpose relating to the governance, management, structure, finances, membership, and other affairs of the Institution, and for the conduct of members; provided that the approval of the members in general meeting shall be required for changes to those regulations governing

- (i) the election of the Board
 - (ii) procedures, powers and duties of the Board
 - (iii) the amount of the annual subscriptions payable by members
 - (iv) notices
- (b) to establish, dissolve, and (subject to the By-Laws) to delegate powers and functions to, standing or ad hoc committees consisting of members of the Institution or other persons, and to appoint and delegate to agents;
- (c) to establish, regulate and dissolve regions, divisions or other sub-divisions of the Institution

9. The Institution may by a resolution passed by not less than two-thirds of the corporate members of the Institution present in person or by proxy and voting at a General Meeting of which at least twenty-one days' notice has been given rescind, vary or add to any of the by-laws provided that no such rescission, variation or addition as aforesaid shall be either repugnant to the provisions of this Our Charter or shall have effect until the same shall have been submitted to and allowed by the Lords of Our Most Honourable Privy Council, of which allowance a Certificate under the hand of the Clerk of Our said Council shall be conclusive evidence.

10. The Board may by a resolution in that behalf passed at any meeting by not less than two-thirds of the members of the Board present and voting (being a majority of the whole number of the members of the Board) and confirmed at an Extraordinary General Meeting of the Institution held not less than one month nor more than four months afterwards by resolution passed by not less than two-thirds of the corporate members of the Institution present in person or by proxy and voting thereat, revoke, amend or add to the provisions of this Our Charter and such revocation, amendment or addition shall when allowed by Us, Our Heirs or Successors in Council become effectual so that this Our Charter shall thenceforward continue to operate as though it has been originally granted and made accordingly. This provision shall apply to this Our Charter as revoked, amended or added to in manner aforesaid provided that no revocation, amendment or addition shall be made which shall cause the Institution to cease to be a charity in law.

11. The Board may by a resolution in that behalf passed at any meeting by not less than two-thirds of the members of the Board present and voting (being a majority of the whole number of the members of the Board) and confirmed at two consecutive Extraordinary General Meetings of the Institution held not less than one month nor more than four months apart by resolution passed by not less than two-thirds of the corporate members of the Institution present in person and voting thereat, surrender this Our Charter and any Supplemental Charter subject to the sanction of Us, Our Heirs or Successors in Council and upon such terms as We or They may consider fit and wind up or otherwise deal with the affairs of the Institution in such manner as shall be directed by such General Meetings or in default of such direction as the Board of the Institution shall think expedient having due regard to the liabilities of the Institution for the time being. And if on the winding up or dissolution of the Institution there shall remain after the satisfaction of all its debts and liabilities any property whatsoever the same shall not be paid or distributed among the members of the Institution or any of

them but shall (subject to any special trusts affecting the same) be given and transferred to some charitable association or associations having objects similar to the objects of the Institution and which shall prohibit the distribution of its or their income and property to an extent at least as great as is imposed on the Institution by Article 3 hereof, such association or associations to be determined by the corporate members of the Institution at or before the time of dissolution.

12. AND LASTLY We do by these Presents for Us, Our Heirs and Successors grant and declare that these Our Letters shall be in all things valid and effectual in law according to the true intent and meaning thereof and shall be taken construed and adjudged in the most favourable and beneficial sense for the best advantage of the Institution as well in Our Courts of Record as elsewhere by all Judges, Justices, Officers, Ministers and other subjects whatsoever of Us, Our Heirs and Successors any non-recital, mis-recital or other omission, defect or thing to the contrary notwithstanding.

IN WITNESS whereof We have caused these Our Letters to be made Patent.
WITNESS Ourselves at Westminster the twenty-third day of April in the twenty-fifth year of Our Reign.

BY WARRANT UNDER THE QUEEN'S SIGN MANUAL

BY-LAWS

INTERPRETATION

1. Throughout these by-laws the words set out below shall have the meaning assigned to them, unless the context otherwise requires:

- “building services engineering” shall have the meaning assigned to such term by Article 2 of the Charter;
- “a Building Services Engineer” shall mean a person engaged in building services engineering;
- “the Institution” shall mean the Chartered Institution of Building Services Engineers;
- “the Charter” shall mean the Royal Charter of Incorporation of the Institution;
- “the Regulations” shall have the meaning assigned to such term by Clause 8(a) of the Charter
- “communication” and “electronic communication” shall have the same meaning as contained in the Electronic Communications Act 2000.

2. Excepting where the context forbids words importing the masculine gender shall include the feminine, words implying the singular number shall include the plural and vice versa.

3. There shall be a Council of the Institution consisting of such number of members, with such qualifications, and to be elected or constituted as such members of the Council in such manner, and to hold office for such period and on such terms as to re-election and otherwise, as the Board shall from time to time direct. The functions of the Council shall be to provide a forum for the members thereof to discuss and consider key issues affecting the Institution, to communicate to the Board the views of members of Council on such issues and on any other matter concerning the running of the Institution, and to provide such advice to the Board on the strategy and direction of the Institution as the Council considers appropriate. The business and proceedings of the Council shall be conducted in such manner as the Board may from time to time prescribe.

4. The Institution shall appoint (and in the event of a casual vacancy the Board shall appoint for the period until the Annual General Meeting next following such vacancy) an Auditor (being a person qualified for appointment as an auditor under the

Companies Act for the time being in force) to examine the accounts of the Institution once at least in every year and to ascertain the correctness of the income and expenditure accounts and the balance sheet thereof.

5. The business of the Board shall, subject to the provisions of the Charter and the by-laws, be conducted in such a manner as the Board shall from time to time determine.

6. The Institution shall hold a General Meeting in every calendar year (to be called "the Annual General Meeting") and such other General Meetings of the Institution in such manner and at such times as may be prescribed by the by-laws.

7. The membership of the Institution shall consist of the following classes of members, namely: Honorary Fellows, Fellows, Members, Companions, Associates, Graduates, Licentiates and Affiliates and all such persons shall be included in the general words "members" and "membership" where herein contained. Fellows, Members, Associates and Licentiates shall be corporate members of the Institution; members in other classes shall be non-corporate members. The qualifications required respectively for each class of membership, the examinations or tests prior to election, the methods of election, the entrance fees, annual subscriptions, and other sums (if any) payable by members and the rights and privileges of members and of the various classes of members shall be such as the Regulations shall prescribe; provided that the qualifications prescribed in respect of the election of corporate members of the Institution shall be such as to ensure that the persons so elected shall be suitably qualified in building services engineering.

8. An Honorary Fellow, Fellow or Member may, so long as he shall remain an Honorary Fellow, Fellow or Member, describe himself and be known as a Chartered Building Services Engineer provided that he is eligible for registration as a Chartered Engineer with the Chartered or Statutory body which is responsible for the time being for maintaining a register of engineers in the United Kingdom. Every Honorary Fellow, Fellow or Member who prior to 25th March 2004 was entitled to describe himself as a Chartered Building Services Engineer may continue to use that title so long as he shall remain an Honorary Fellow, Fellow or Member. A member of any other class shall not so describe himself, and other than an Associate or Licentiate, shall not be entitled to use any abbreviated distinctive title after his name indicating connection with the Institution. Companions, Graduates and Affiliates of the Institution may so describe themselves without abbreviation as such class of member respectively, with the addition of the words "of The Chartered Institution of Building Services Engineers".

9. Every person shall before becoming a member of the Institution sign an undertaking that he/she will observe and be bound by the Charter and by the by-laws. The members of the Institution shall be subject to the Code of Conduct prescribed by the Regulations and shall be subject to expulsion, suspension or censure by the Board for such reasons and in such manner as the by-laws shall prescribe.

10. The following classes of members shall be entitled to practise and describe themselves as members of the Institution in such classes respectively and to use after

their names the abbreviated titles following, namely:-

Honorary Fellows:	HonFCIBSE
Fellows:	FCIBSE
Members:	MCIBSE
Associates:	ACIBSE
Licentiates:	LCIBSE

Provided no person who has been a member of the Institution may so practise or describe himself or so use such abbreviation if he has been suspended from membership or has ceased to be a member of the Institution.

11. Every corporate member of the Institution shall be entitled to be present and vote at every General Meeting of the Institution. Non-corporate members shall not be entitled to vote at a General Meeting of the Institution but shall have such right of voting at any other meetings of the Institution as the by-laws may prescribe. Ten corporate members personally present shall constitute a quorum for an Annual General Meeting of the Institution and fifteen corporate members personally present shall constitute a quorum for an Extraordinary General Meeting. No business shall be transacted at a General Meeting unless a quorum is present.

12. Subject to the provisions of the by-laws the Institution may employ such persons on such terms as to their tenure of office, period of service, duties, remuneration and otherwise as the Board may from time to time determine. Provision may be made out of the funds of the Institution for the payment of pensions, allowances, gratuities or bonuses to all or any of such employees on their retirement from service or to dependants of such employees who shall have retired or died or become incapacitated.

PROFESSIONAL CONDUCT

13. A member shall at all times so order his conduct as to uphold the dignity and reputation of his profession, and to safeguard the public interest in matters relevant to the science and practice of building services engineering. He shall exercise his professional skill and judgement to the best of his ability and discharge his professional responsibilities with integrity.

14. The Board shall prescribe by Regulations a code governing the professional conduct of members and the procedure for the investigation of complaints made against a member and for the taking and hearing of evidence and any appeal made against expulsion, suspension or censure.

OFFICERS OF THE INSTITUTION

15. The Officers of the Institution shall be the Immediate Past President, President, the President-Elect, three Vice-Presidents, and the Honorary Treasurer. Each of such Officers shall hold office for one year and shall retire at the following Annual General Meeting. Each shall be eligible for re-election in accordance with the Regulations.

16. The holder of the office of President-Elect shall take office as President as from the Annual General Meeting at which the previous President shall retire. The President-Elect shall be elected from Fellows of the Institution who are or have been either Vice-Presidents of the Institution or Honorary Treasurer of the Institution.

17. The Vice-Presidents shall be three in number and shall be appointed by the Board from Corporate Members of the Institution who are or have been members of the Council of the Institution.

18. In the event of the death or resignation of the President or the President-Elect, the Board shall appoint an Acting President or an Acting President-Elect (as the case may be) from amongst the members of the Council of the Institution for the unexpired portion of the former President's term of office or the former President-Elect's term of office and his term of office as President (as the case may be). He shall have the full powers of the President or President-Elect (as the case may be).

19. Service as Acting President following the death or resignation of the President shall not preclude the Acting President from election as President.

20. The Honorary Treasurer shall be appointed by the Board and shall be either a member of the Institution or a non-member whom the Board considers to be suitably qualified for the role. The Honorary Treasurer shall hold office for one year and shall be eligible for re-election up to a maximum term of five years continuous service.

THE BOARD

21. The Board shall consist of the following persons:-

(a) The President, the Immediate Past President, the President-Elect, the three Vice-Presidents and the Honorary Treasurer, all of whom shall be members of the Board ex-officio.

(b) Five members of the Institution, (other than persons included in paragraph (a) of this by-law), at least three of whom shall be corporate members and at least three of whom shall be or have been members of the Council of the Institution. These members shall be elected by the corporate members of the Institution in accordance with the Regulations.

22. All members of the Board shall have the right to vote at Board meetings.

23. (a) The Board may fill any vacancy in the Board which shall occur between one Annual General Meeting and the next; and a member of the Board so appointed by the Board shall retire at the succeeding Annual General Meeting and be eligible for re-election.

- (b) The members of the Board referred to in paragraph (b) of by-law 22 shall be elected for a period of up to three years and shall be eligible for re-election but shall not serve more than two consecutive terms of office in this category.
- (c) Any member of the Board who ceases for any cause to be a member of the Institution, or who becomes bankrupt or of unsound mind, or who by notice in writing to the Institution resigns his office or who is prohibited from acting as a director of a company by any order made under the Companies Acts for the time being in force, or who is removed from office by a resolution of a General Meeting of Members shall ipso facto cease to be a member of the Board and of any committee of which he may be a member.

THE SEAL

24. The Seal of the Institution shall not be affixed to any instrument except by the authority of the Board and, in the case of all instruments other than membership certificates, in the presence of a member of the Board and of the Chief Executive or other such persons as the Board may appoint for the purpose; and such member of the Board and the Chief Executive or other person as aforesaid shall sign as witness every instrument to which the Seal of the Institution is so affixed in their presence.

GENERAL MEETINGS

25. The Institution shall hold General Meetings in accordance with By-Law 6 and in every calendar year the Institution shall hold a General Meeting in one of the first six months thereof as its Annual General Meeting at such time and place as may be determined by the Board and shall specify the meeting as such in the notices calling it, provided that every such General Meeting shall be held not more than fifteen months after the holding of the last preceding Annual General Meeting.

26. All General Meetings, other than the Annual General Meetings, shall be called Extraordinary General Meetings.

27. The Board may, whenever they think fit, convene an Extraordinary General Meeting and Extraordinary General Meetings shall also be convened on the requisition of twenty corporate members. The notice calling the Extraordinary General Meeting shall state the nature of the business to be considered and no matters not included in the notice shall be considered at such a meeting.

28. Every such requisition shall state the objects of the meeting, and shall be signed by the requisitionists and deposited at the Headquarters of the Institution and may consist of several documents in like form each signed by at least two requisitionists. If the Board do not within twenty-one days from the date of deposit of the requisition proceed duly to convene a meeting, the requisitionists, or a majority of them, may

themselves convene a meeting but any meeting so convened shall not be held after the expiration of three months from the date of the deposit of the requisition. A meeting convened by requisitionists shall be convened and conducted in the same manner, as nearly as possible, as that in which meetings are convened and conducted by the Board of the Institution. Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to convene a meeting shall if so determined by the meeting be repaid to the requisitionists by the Institution.

29. The Chairman of any General Meeting may invite any advisers of the Institution to be present at the Meeting whose advice may in his opinion be helpful in matters under consideration. If the Chairman considers that any particular business shall be confined to corporate members he may request non-corporate members to withdraw. No member or other person attending any General Meeting may publish any account of the transactions which take place at such meetings without the prior consent of the Board.

30. At least twenty-one days' notice in writing of every General Meeting (exclusive both of the day on which it is served or deemed to be served and of the day for which it is given) specifying the place, the day and the hour of meeting and in the case of special business the general nature of that business shall be given to such persons as are under these by-laws entitled to receive such notices from the Institution.

31. The accidental omission to give notice of a meeting to, or the non-receipt of such notice by, any person entitled to receive notice thereof shall not invalidate any resolution passed or any proceedings at any meeting.

32. No business connected with the management or administration of the affairs of the Institution or involving any application of its funds shall be transacted at any meeting arranged by the Board for the reading or discussion of papers and documents. The Board may make, repeal and vary the regulations as they think fit for the convening and holding of such meetings and for regulating the attendances and proceedings thereat.

AMALGAMATION WITH KINDRED SOCIETIES

33. The Board may in accordance with Article 4 of the Charter arrange agreements for the amalgamation of the Institution with such other bodies as are specified in the said Article and by the procedure provided in the said Article.

34. The Board shall not conclude any such arrangements until it has received a declaration signed by the President, the Officers and the Chief Executive of the body with whom it is proposed to amalgamate that the proposal is made in pursuance of a resolution of the members of such body passed in General Meeting.

35. If the Board approve the terms of a proposed amalgamation between a body and the Institution the proposal shall be submitted to a General Meeting of the Institution and if at such General Meeting a resolution be passed accepting such an amalgamation

the proposed amalgamation shall be submitted by the Board to a ballot in accordance with Articles 4 of the Charter.

36. The Board may if they think fit remit, reduce or vary the entrance fees and annual subscription of any members of any such body who by reason of an amalgamation become members of the Institution.

ACCOUNTS

37. The Board shall cause proper books of account to be kept with respect to:-

- (a) all sums of money received and expended by the Institution and the matters in respect of which such receipts and expenditures take place;
- (b) all sales and purchases of goods by the Institution; and
- (c) the assets and liabilities of the Institution.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the affairs of the Institution and to explain its financial transactions.

38. The books of account shall be kept at the Headquarters of the Institution, or at such other place or places as the Board shall think fit, and shall always be open to the inspection of members of the Board and the Auditors.

39. The Board may from time to time impose reasonable restrictions as to the time and manner and extent of the inspection by the members, other than members of the Board and the Auditors, of the accounts and books of the Institution, or any of them, and, subject to such restrictions, the accounts and books of the Institution shall be open to the inspection of such members at all reasonable times during business hours.

40. (a) At each Annual General Meeting the Board shall lay before the Institution a proper income and expenditure account and balance sheet for the period since the preceding account, made up to date not more than six months before the meeting. The account and balance sheet shall be accompanied by reports of the Board and the Auditors (all of which documents shall be framed in order to give a true and fair view of the state of affairs of the Institution and its financial transactions - and shall comply with the best and established accounting practice for Charities).

(b) Copies of either:

- (i) the said account, balance sheet and reports (and of any other documents required under such statutory requirements to be annexed or attached thereto, or to accompany the same) or

- (ii) subject to paragraph (c) below, a summary of the documents specified in (i) above, and a statement that the full reports and accounts will be sent to any member on request

shall, not less than twenty-one clear days before the date of the meeting, be sent to the Auditors and to all other persons entitled to receive notice of General Meetings in the manner in which notices are hereinafter directed to be served. The Auditors' report shall be open to inspection and be read at the meeting.

- (c) The summary sent under (b)(ii) above shall state whether the Auditors' Report on the account and balance sheet was unqualified or qualified, and if it was qualified set out the Report in full.

INVESTMENTS

41. Subject to any relevant legal requirements relating to the use and delegation of powers of investment, the Board may invest the moneys of the Institution not immediately required for its purposes in such manner as it sees fit, and may appoint or delegate powers (including discretionary powers) to appropriately qualified investment managers for his purpose, and may invest in or promote trading entities to serve the purposes of or raise funds for, the Institution.

AUDITS

42. Once at least in every year the accounts of the Institution shall be examined and the correctness of the income and expenditure account and balance sheet ascertained by one or more properly qualified Auditor or Auditors.

43. Auditors shall be appointed and their duties will be to report whether, in their opinion, the accounts of the Institution have been properly prepared in order to give a true and fair view of the state of affairs of the Institution and of its financial transactions and whether or not the accounts are in accordance with the Royal Charter and by-laws of the Institution.

INDEMNITY AND RESPONSIBILITY

44. Every member of the Board and every employee of the Institution for the time being and their heirs, executors and administrators shall be indemnified by the Institution against, and it shall be the duty of the Board out of the funds of the Institution to pay, all costs, losses and expenses which any of them may incur or become liable to by reason of any contract entered into or act or deed done by him in the discharge of his duties.

45. No member of the Board or employee of the Institution shall be liable for the

acts, receipts, neglects or defaults of any other member of the Board or employee or for joining in any receipt or other act for conformity or for any loss of expense happening to the Institution through the insufficiency or deficiency of title to any property acquired by order of the Board for or on behalf of the Institution or for the insufficiency or deficiency of any security in or upon which any moneys of the Institution shall be invested or for any loss or damage arising from bankruptcy or insolvency or tortious act of any person with whom any money, securities or effects shall be deposited or for any loss or damage occasioned by any error of judgement or oversight on his part or for any other damage or misfortune whatever which may happen in the execution of the duties of his office or in relation thereto unless the same happened through his own dishonesty or wilful wrongdoing.