

Overview of proposed amendments

The board has approved amendments to update and modernise the Articles of Association of the Pensions Management Institute (**PMI**) and is placing these before the members for approval. The broad objectives of this exercise is to ensure:

- that the governance structure is representative of PMI's membership as a whole;
- that the governance structure allows for a flexible, efficient and commercial decision-making process;
- compliance with current company law legislation;
- that PMI adopts a fit-for-purpose set of Articles for PMI, suitable for its governance structure and operations;
- there are appropriate provisions to facilitate virtual/hybrid meetings or meetings held by technology.

Proposed changes to Articles

Article number (in existing Articles)	Article number (in proposed Articles)	Provision	Explanation of change
-	-	Formatting and terminology	<p>Chair/Chairman: The Articles use the term 'chair' and 'chairman', and so they have been amended to use 'chair' throughout for consistency. Upper case Chair is used for the defined term (the person appointed under Article 74 as the chair of the board), and lowercase chair, for the chair of a specific meeting (in case a replacement chair is appointed due to the Chair being absent).</p> <p>Gender inclusive drafting and British English: The Articles have been updated to use more gender inclusive or gender neutral language – such as by using he and she, or using 'they' (as the Articles often just use the male pronoun), and to reflect British (rather than American) English.</p>
1 & 2	(deleted)	Name and Registered Office	These details have been taken out of the Articles as the company name and registered address are shown on Companies House online register (and this is the primary record), and this information is no longer required to be included in the Articles. It is recommended that these be removed so that these Articles do not need to be amended (or become outdated) if the name or registered address changes.
3	1	Interpretation and definitions	The definitions have been tidied up and a number of new definitions inserted in line with the proposed amendments to other Articles, for example, by inserting a new definition of "Electronic Form" and "Electronic Means" to facilitate electronic communications. The interpretation of the word 'writing' is updated to confirm it includes electronic communications.
4	2	Objects	No change.
5	3	Powers	Some additional powers of the company have been added which are common to include in company Articles, such as in relation to insurance and indemnity. The power to publish materials etc. in current Article 5(l) (renumbered as Article 3(l)) has been tweaked to clarify that this includes publishing materials online.
6	4	Limitation on private benefits	It is a standard feature of Articles for not-for-profit organisations like PMI to limit the benefits members receive. This Article has been tweaked to clarify that benefits may be paid to members, as an exception to this rule, in furtherance of the objects of PMI (for example, benefits relating to attending educational courses of PMI) or on winding up (given that PMI claims tax relief under the mutuality principle which permits distribution to members on winding up).

7 - 9	5 - 7	Liability, guarantee and winding up	No change.
10 & 11	8 & 9	Membership	This Article is amended simply to clarify that Members are subject to the provisions in the Articles and Regulations prescribed by the Board made from time to time (in addition to the provisions of the Articles).
12	10	Categories of membership	No change.
13 - 19	11 - 17	Membership requirements, rights and obligations	Minor non-substantive amendments have been proposed to improve clarity around how the different provisions interlink (around voting rights and requirement to pay fees due, and linking the provisions on ceasing to be a member). Current Article 18 (renumbered as Article 16) now states that the name of Members must be entered on the register; this reflects the requirements under Company law and is included to promote compliance.
-	18	Ceasing to be a member	This new Article has been included to clarify the circumstances when a person ceases to be a Member. This includes by death, resignation, if a member has failed to pay their subscription fees, or if they are removed by the Board if their membership would be harmful to the interest of the Institute (such as if they have acted in breach of any membership regulations or code of conduct), provided a fair process is followed before they are removed so that they have an opportunity to put their case forward.
20	19 & 20	Annual General Meeting	New provisions have been included to provide some flexibility for the Board to suspend the requirement to hold an AGM, if for example, it is not safe to do so due to COVID-19.
21	(deleted)	Special General Meetings	The concept of a Special General Meeting has been removed, so that PMI will just have an Annual General Meeting and General Meetings (this aligns with changes proposed for the notice period, so that the requirement is to provide 14 days for all types of general meetings). This reflects and is consistent with changes in company law over time in relation to general meetings.
22	21	Convening a General Meeting	This Article has been amended to explicitly clarify the rights of members to call general meetings under the Companies Act 2006 (in additional to the existing rights of members under the current Articles for 20 members to requisition a general meeting). This is included as a useful reference point for those calling meetings.

23	22	Length of notice of general meetings	<p>This Article been amended so that the notice period for general meetings is generally 14 clear days, but that this can be shortened if a majority in number of the members, representing 90% of the voting rights at the meeting, agree. This provision around shorter notice reflects the provisions of company law and is a useful reference point for those calling meetings.</p> <p>By way of background, the current Articles requires 14 days' notice of general meetings, and 21 days' notice for meetings at which a Special Resolution is proposed. Prior to the 2006 Companies Act, the law required 21 days' notice for special resolutions but this is no longer the case. So this change is included as part of modernising the Articles in line with changes in the law.</p>
-	23	Notice of General Meeting	This new Article introduces more specific and modernised wording to provide clarity around the contents of a notice of general meeting, and these provisions reflect the requirements of company law and so are intended to promote compliance with these legal requirements (e.g. failure to include a statement reminding members of their right to appoint a proxy is a criminal offence, so it is helpful to have these requirements set out in the Articles).
-	24	Postponement	This new Article has been added to allow the Board to postpone a general meeting in the event it is no longer safe to hold the general meeting but the notice has already been served (e.g. in the event of another pandemic/public health crisis).
-	25	Attendance and speaking at General Meetings	This clarifies how a person can attend and participate at a General Meeting, including via Remote Attendance. This is particularly important to include given there may be times when it is not safe or legally permitted for PMI to hold physical general meetings and members may need to participate via electronic means.
-	26	Hybrid Meetings and Remote Attendance	This Article now includes detailed provisions on holding remote members meetings where for circumstances outside of the Board's control, it is no longer safe to hold an in-person general meeting. Such meetings are referred to as Hybrid Meetings. These provisions allow the Board to make arrangements for members to attend meetings remotely and permits to use of electronic platforms for communicating at the meeting and for voting.
24	27	Irregularities	The provisions around irregularities have been broadened to refer to proceedings at meetings and decisions made by poll or written resolution (in addition to accidental omission to give or non-receipt of notice covered under the current provisions). The requirements around who to send notices to is now moved to the renumbered (and new) Article 23, so that these obligations are kept together in the same place.

25	28	Business of AGM	No change.
26 & 27	29 & 30	Quorum for members meeting	The current quorum requirement for general meetings is retained (5 Fellows or Associates), but this Article has been tweaked to clarify that a person attending remotely counts towards quorum. It also provides some additional discretion for the chair to allow longer than 30 mins for a quorum to be present if needed.
28	31 & 32	Chairing general meetings	A new express power is inserted so that the chair may permit others who are not members to attend and speak at general meetings (as the current Articles are silent on this).
29	33	Adjournment of general meetings	No change
30 – 32	34 – 38	Voting Procedure, Poll Votes and Procedure on Poll	The Articles now include provisions to allow voting by poll by members, which can be demanded in advance of the meeting, before a show of hands on a resolution or immediately after the result of a show of hands on a resolution that has been declared. The new provisions set out who may vote on a poll and the procedure for conducting a poll (and clarify that these procedures may be used for virtual/electronic voting).
33 - 40	39 – 48	Proxies and Proxy voting	More detailed clauses are included around proxies and proxy voting to provide clarity and ensure that appointments may be done by electronic means and in accordance with the requirements under the Companies Act 2006.
41	(deleted)	Matters needing approval by Members' special resolution	The current Article which sets out specific matters requiring Members approval by special resolution has been removed (these matters included: disposing of all/substantially all assets, acquiring assets of another body, amalgamating or affiliated with another body). This Article has previously created issues for PMI arising from the ambiguous wording of the provision and the ambiguity around the extent to which it prevented discussion by the Board of PMI with third parties. This amendment is designed to enable and support a more flexible, efficient and commercial decision-making process by PMI. Importantly, Article 63 of the current Articles (renumbered as Article 72) has been retained as this provides that the Members have the power to limit the powers of the Board by a resolution made in General Meeting.
-	49	Amendments to resolutions	A new Article clarifies how ordinary and special resolutions can be amended prior to voting at a general meeting. These provisions reflect the requirements under company law.
42 - 44	50 - 52	Votes of Members	Minor changes have been made to improve clarity and reflect other changes to voting mechanisms (including decision-making by poll and by written resolution).

-	53	Members Written resolution	A new Article has been included providing for Members to be able to pass written resolutions (members' resolutions outside of a general meeting), in accordance with Companies Act.
45 - 62	54 - 71	Advisory Council, Honorary Officers, The Board	Article 62(d) of the current Articles (renumbered as Article 71(d) in the new Articles) regarding the number of external co-options to the Board is amended to read "up to 4" rather than "2 or 4" and to provide that co-opted members may serve for up to 3 years, to allow flexibility for succession planning
63 - 68	72 – 78	Powers and Duties of the Board	<p>These new provisions clarify that the Board may make Rules (including by Regulations or in the Governance Manual) on specific governance matters. The Board already has power to prescribe Regulations in relation to membership under current Article 13 (renumbered as Article 11), and so the new Article included here (new Article 74) simply clarifies that the Board may make Rules on other key governance matters.</p> <p>Some additional standard wording is included in Article 68 of the current Articles (renumbered as Article 78) regarding the evidentiary value of minutes once they are signed or authenticated.</p>
69	79	Disqualification and removal of Board Members	<p>This Article has been updated to include additional grounds for when a Board Member ceases to hold office, including if they:</p> <ul style="list-style-type: none"> – fail to attend three consecutive Board meetings – are removed by a decision of two thirds of the Board Members – are removed by the Members in General Meeting – are the Chief Executive or Finance Director and ceases to be the Chief Executive or Finance Director <p>The Article currently requires a unanimous resolution to remove a fellow board member. This is a very high threshold and so has been modified to only require a majority decision and to also build in some safeguards to ensure procedural fairness.</p>
70 & 71	80 & 81	Meetings of the Board and decision-making	Minor modifications have been made to improve clarity and flexibility around how the Board meets and makes decisions. The provisions around conflicts in Article 71 of the current Articles have been removed as more detailed provisions on conflicts are now in new Articles 91 and 92.
72	82	Convening Board Meetings	This has been amended to provide that any Board Member can call a Board meeting (rather than needing two to do so), and the requirement under the Articles for the Chief Executive to be responsible for convening meetings is removed (but in practice, this role may be assigned to the Chief Executive). This provides more flexibility in case practices changes. The detail on the responsibilities of the Chief Executive (or company secretary) in relation to convening meetings will be included in other governance materials, such as in the Board Manual or Regulations.

73	83	Quorum for Board meetings	The requirement to have a majority of Council Fellow Members present to satisfy quorum requirements for board meetings has been modified. The quorum requirement has also been modified so that it is three or one-third of the Board, whichever is the greater.
74	84	Chairing of Board Meetings	This has been amended to include an express power for the Board to remove the chair (as the current Articles only included the power of appointment), and to appoint the chair on such terms as the Board sees fit.
75	85	Notice of board meeting	The wording around providing notice of Board meetings has been updated to provide clarity and maximum flexibility around how notice may be given to Board Members, including ensuring that communications can be done by email/board portal.
76 - 78	86 - 88	Board Committees	Article 76 of the current Articles (renumbered as Article 86) has been amended to include an express power for the Board to remove a Committee Chairman (as the current Articles only included the power of appointment).
79	89	Unanimous decisions without board meeting	This has been modified to allow majority decision-making outside a Board meeting (instead of requiring unanimity) and to include more modernised and flexible processes around this. This provision now allows the Board Members to make a majority decision without holding a meeting if a majority indicate to each other by any means that they share a common view on a matter. This mechanism may be useful where an urgent decision needs to be made between meetings.
80	90	Participation in Board Meetings	This has been updated to include more modern language and clarify how Board Members can participate in meetings by technology.
-	91 & 92	Board Members Interests and Management of Conflicts of Interest	These new Articles 91 & 92 have been included to provide a robust set of provisions relating to conflicts of interest at Board level, including setting out when interests should be disclosed and a procedure for the Board to follow if there is reasonably likely to be a conflict of interest. These Articles set out a fairly simple and workable procedure and are more nuanced than the provisions in (current) Article 71, and for example, allows the Board to address and authorise conflicts. There is also a new requirement to keep a register of Board Members' interests; this is not a legal requirement but promotes good governance practice.
81	93	Chief Executive	No change.

-	94	Secretary	A new Article has been included to deal with the role of company secretary, as the Articles are currently silent on this. There is no legal requirement for a company secretary, unless there is a requirement in the Articles, so here the Articles give the Board the discretion about whether or appoint a secretary or not.
82 - 86	95 – 97	Records and Accounts	The requirements around records and accounting have been modernised and updated to reflect the requirements under Company Law.
87	98	Audit	No change.
88 & 89	99 - 102	Notices and Communications by and to the Institute	The provisions in the current Articles are dated, and, for example, refer to fax numbers, and so the notice and communication provisions have been wholesale replaced with provisions which are up to date and in compliance with Companies Act, and in particular facilitate electronic communication.
90	103	Indemnity	This has been broadened to include the power (but no requirement) to indemnify officers of the PMI (other than the Board Members).
-	104	Insurance	There is a new express provision around obtaining insurance for the Board and other officers.
-	105	Exclusion of model rules	The Articles now expressly exclude the model articles, as the current Articles are silent on this and this creates ambiguity. Any useful provisions from the model Articles, not previously included in these Articles, have now been included.