



The Rules

for

**The Association of Independent Professionals
and the Self-Employed (IPSE)**

12 November 2016

1. Board of Directors

The role of the Board of Directors can be found in Appendix A.

1.1. Composition of the Board

To ensure the Board has the necessary skills and experience, as identified in Appendix A, it should comprise a combination of directors elected from among IPSE's membership and individuals external to the organisation, appointed for the skills and experience they bring, plus the Chief Executive.

The Board to be made up as follows:

- Six directors elected by the Consultative Council from among IPSE's members.
- Two directors appointed from outside IPSE
- The Chief Executive of IPSE *ex officio*

One of the appointed directors will be Honorary Treasurer, to lead the Board's oversight of IPSE's finances.

Where the Board identifies a need for extra expertise in specific areas, the Board may appoint a third Director. If a third Director is appointed, two further Directors must be elected from the membership in order to maintain the two-thirds elected, one third appointed make up of the Board.

The minimum size of the Board should be 9 members and the maximum shall be 12.

In accordance with the Articles of Association (18.10), at any meeting of the Board of Directors the elected Directors will always have 67% of the votes in any recorded votes.

1.2. Terms of office

All Directors elected through a normal election cycle will have an initial term of three years. A Director may not serve more than two terms in any nine year period, unless the Director holds the position of Chairman. No Director may serve more than three terms, unless serving a second term as Chairman in exceptional circumstances.

If an elected Director stands down for any reason before the end of their term of office, the vacancy so created will be filled by a Director elected by the Consultative Council to serve the remainder of the vacated term. Depending on the timing of the vacancy within the normal election cycle, a by election will be held, or, where appropriate, the Board of Directors in consultation with the Consultative Council may extend the number of vacancies for the next planned election in lieu of holding a by election.

The retiring Director will be deemed to have served a full term. If the Director elected to complete the term serves more than 18 months, that Director will be considered to have served a full term.

In order to align terms of office with the governance changes and adoption of the new Articles of Association in January 2015, those directors in office at the time of the 2015 AGM shall be considered to be serving their first term.

1.3. Removal of Directors

The Articles of Association (15.3) states that

The Board of Directors may resolve to remove a Director from office at a properly convened meeting of the Board of Directors provided that the resolution to remove that director is approved by a majority of Directors present at that meeting and that at least six Directors vote in favour of that resolution to remove that Director.

Company law also determines that a director can be removed by majority vote of members at a general meeting.

1.4. Meetings of the Board of Directors

There should be a minimum of four Board meetings per year, ideally held on a quarterly basis.

In addition, conference calls may be scheduled as required. It is noted that all prearranged conference calls of the Board must be minuted to comply with S248 of the Companies Act 2006.

1.5. Induction, training and review of performance

All new Directors will undergo a rigorous induction procedure which should be completed within six months of appointment to the Board.

The induction procedure is documented in Appendix A.

The Board must continually seek to improve its effectiveness and performance. The performance of both the Board as a whole and of individual directors shall be reviewed formally on a regular basis.

2 Nominations Committee (NC)

The role of the Nominations Committee can be found in Appendix A.

2.1 Nominations Committee Recommendations

The Nominations Committee will consider all potential candidates for directorship, taking into account the skills and experience that the Board have informed the Nominations committee are needed at that time.

For Elected Directors, the Nominations Committee will produce a list of candidates for election to the Board by the CC, and indicate which are approved, according to the process detailed in section 2.3 below.

For Appointed Directors, the Nominations Committee will undertake a recruitment and selection process, and recommend a single name to the Board, which will then approve or reject the candidate.

2.2 The make-up of the Nominations Committee:

The make-up of the Nominations Committee is as follows:

- Two currently serving directors appointed by the Board – at least one of whom must be an elected director
- Two CC members, elected by the CC
- An independent chairman appointed by the Board.

Members of the Nominations Committee other than the Chairman will serve for a term of two years and a maximum of two terms. The Chairman will serve for a term of three years, renewable for one further term.

At the end of the term of office for the NC Chairman, the Nominations Committee on behalf of the Board will undertake a selection process and make a recommendation to the Board as to who the new Committee Chairman should be.

2.3 Process for the election of candidates to the Board

2.3.1 The NC publishes the criteria that Board candidates need to meet to fill the current vacancies.

2.3.2 The Board of Directors invites the membership to apply for nomination as candidates. Any full member of IPSE, who has been a member for at least twelve consecutive months immediately prior to the invitation to apply being sent, may apply for nomination to the Board of Directors, except where excluded below.

Employees, directors, trustees, officers or Persons of Significant Control of Affiliate organisations are not eligible to stand for election to the Board, or serve on the Board even where they may otherwise be eligible as full members of IPSE in their own right.

Any member who has resigned from either the Board or the CC after the initiation of a disciplinary investigation and before the conclusion of the process, or where the disciplinary investigation has concluded and recommended resignation, may not stand for election to the Board unless their candidacy has been approved by resolution of the Board.

If a member of the NC wishes to stand for election to the Board then they must recuse themselves from the NC prior to the invitation for applications

being sent by the Board of Directors. It is the responsibility of the NC chairman to ensure that there is no conflict of interest between the member and the work of NC. If the member is elected to the Board then they shall resign from NC upon joining the Board.

- 2.3.3 The NC seeks out potential candidates from the membership and encourages them to apply for nomination.
- 2.3.4 The NC prepares a list of candidates nominated for the ballot and
- a) Invites the candidates to prepare their electoral statements.
 - b) Issues the list of candidates to the CC and the BoD.
- 2.3.5 In the event that a member applies for nomination but is not considered suitable for the current vacancies:
- a) The NC will write to the member explaining their reasons for not supporting the candidature. The member will be invited to discuss the matter with the Chairman of the NC should they wish to do so. The member will be given advice on how they may succeed in the future.
 - b) If the candidate withdraws, the matter will be considered closed.
 - c) If the member wishes to proceed as a candidate, they will be advised that they do not have the support of the NC. The fact that the candidate does not have the support of the NC will be communicated to the CC.
- 2.3.6 Elections to the Board of Directors will be held under an Alternative Voting (AV) system.
- Where there is one vacancy, elections to the Board of Directors will be held under a single transferrable vote (STV).
- Where there is more than one vacancy, elections to the Board of Directors will be held under a Condorcet (ranked pairs) voting method.
- 2.3.7 In order to ensure that the election is balanced between candidates who are CC members, and are therefore able to cast a vote for themselves, and those who are not, all candidates who are not members of the CC will receive one first preference vote. These votes will be manually cast by the Returning Officer or their representative.
- 2.3.8 Election of Directors to take office at the AGM
- a) For the normal cycle of elections, the date of the election will be determined by the Board of Directors so that the newly elected or re-elected Directors will take office after the AGM.
 - b) There will be a three week window for candidates to apply.
 - c) Candidates for Director must have gone through the Nomination Committee process at least two weeks before the Consultative Council meeting preceding the election.
 - d) At or before the Consultative Council meeting, the Board or Executive will announce the details of the election. This will include (but is not limited to) the dates and times of all hustings events which will take place, the date and time of the election, the method for recording any proxy votes if necessary and the operation of any election forum.

- e) The Consultative Council meeting preceding the election will serve as a physical hustings event.

2.3.9 Directors By-Election

- a) The date of the election and the date of the appointment of the new Director(s) will be determined by the Board of Directors.
- b) There will be a three week window for candidates to apply.
- c) After the application window closes, there will be a two week period, during which the Nomination Committee will prepare the list of candidates.
- d) As soon as is practical after the closing date of applications, the Board or Executive will announce the details of the election. This will include (but is not limited to) the dates and times of all hustings events which will take place, the date and time of the election, the method for recording any proxy votes if necessary and the operation of any election forum.
- e) If there is an opportunity to host a physical hustings event, this should be arranged by the Board.

2.3.10 After the election, a list of the candidates and their final positions will be published to the membership. A list of which CC members voted in the election, and the number of votes cast by each CC member will be published to the membership. After the election result is published, individual CC members may, if they wish to do so, disclose for whom they voted.

3. Chairman

The Chairman of IPSE is appointed by the Board from among the elected directors. Any elected Director may be appointed Chairman, but upon becoming Chairman they must resign from the Nominations Committee or as Deputy Chairman if applicable. The Chairman will serve for a term of three years; in very exceptional circumstances a further term of three years may be added, by decision of the Board and Nominations Committee. The Chairman's term begins with their appointment as Chairman. If they have served more than 18 months of their term as Director prior to being appointed to Chairman, then that is considered a full term.

When the Chairman steps down from the position, they will resign from the Board at the same time, and a by-election will take place to elect a new Board member. The by-election may take place before the Chairman has left the Board, with the new Director joining the Board when the Chairman leaves it.

4. Deputy Chairman

The Deputy Chairman shall be appointed by the Consultative Council from the elected Directors in office on an annual basis and will deputise for the Chairman in his/her absence. They will also provide a route by which directors or others concerned about issues relating to IPSE's governance can raise them if they feel unable to do so with the Chairman. The deputy Chairman will also chair meetings of the Consultative Council.

The Deputy Chairman will be appointed for a term of one year, with any individual serving a maximum of two non-consecutive terms in the role.

5. Chief Executive Officer

The CEO is *an ex officio* member of the Board of Directors. The CEO cannot be appointed as the Chairman, Deputy Chairman or Honorary Treasurer of IPSE.

The Board will hold the CEO to account and deal with any conflicts of interest that may arise.

The CEO cannot vote for the Chairman of IPSE and on the remuneration of the CEO.

6. Remuneration

Remuneration of the Directors will be determined by the Nominations Committee in consultation with the Board, with reference to the appropriate market rates. The NC should prevent any situation in the remuneration of directors that leads to payment for time spent in excess of that covered by the stipend, which creates an incentive to inflate the amount of time a director spends on IPSE. The NC will set a fixed stipend, based on a generous assumption of the amount of time required of a director, which will be unchanged regardless of the actual time each director puts in other than reimbursement of expenses.

7. Consultative Council (CC)

7.1 The Articles of Association (section 11) require that:

7.1.1 The Consultative Council shall be a body of Members elected by the Members in accordance with the Articles and the Rules.

7.1.2 Any person who is:

- *not a Member;*
- *a Member who has not paid the due joining fee or annual subscription to the Company;*
- *an Honorary Life Member;*
- *a Director*

may not stand for election to the Consultative Council.

7.1.3 Any Council Member who ceases to be a Member of the Company for any reason or is elected to the Board of Directors shall cease to be a Council Member from the date they cease to be a Member of the Company or the date they are appointed to the Board.

7.1.4 A Consultative Council Member shall not be deemed to be a Director of the Company by virtue of being a Council Member save in circumstances implied by sections 250 and 251 of the Act (2006 Companies Act).

7.2 The Role of the CC can be found in Appendix A

7.3 Election to the CC is open to any full member of IPSE

7.4 Any member who has resigned from either the Board or the CC after the initiation of a disciplinary investigation and before the conclusion of the process, or where the disciplinary investigation has concluded and recommended resignation, may not stand for election to the CC unless their candidacy has been approved by resolution of the Board.

7.5 The Board must engage with the CC and ask for their ideas and comments. There should be a standing agenda item at each Board meeting which should be entitled: "Consultation with the CC over major issues."

7.6 The CC has the power to call an EGM if 50% +1 of CC Members vote for one. At the EGM resolutions from members can call for the dismissal of individual Directors and will be passed if Members by (ordinary resolution) vote in favour of removing a Director from that office, that Director shall be deemed to have vacated their office with immediate effect.

7.7 The Make-up of CC

- If a CC member is elected to the Board they must resign from CC on taking up their position as a director.
- The CC meeting will normally be chaired by the Deputy Chairman, or another elected member of the Board if the Deputy Chairman is unavailable.

7.8 Non-Disclosure Agreement

Consultative Council Members may be party to confidential information. As such it is a condition of standing that, if the Consultative Council by majority vote state that it is necessary, each nominee is prepared to accept and sign a Non-Disclosure Agreement. If the Consultative Council member refuses they may not be party to that confidential issue.

7.9 CC Elections

7.9.1 CC Elections are to be held between 11 and 13 months from the date of the last CC Election.

7.9.2 CC Elections will be held under a First Past The Post (FPTP) system

7.9.3 Terms of Office

- CC members will be elected for a term of three years. A CC member may not serve more than two terms in any nine year period. No CC member may serve more than three terms.

- If a CC member stands down for any reason before the end of their term of office, they will be considered to have served a term.
- In order to align terms of office with the governance changes and adoption of the new Articles of Association, those CC members in office at the time of the 2015 AGM shall be considered to be serving their first term.

7.10 Notes to candidates:

- Candidates will have the opportunity to include a short statement with their nominations.
- Candidates will select another member who will be their “formal proposer”. This member will include a short statement proposing the candidate’s nomination. This member will be included in the list of seconders.

7.11 Nominations

- 1) The period of nominations shall be a minimum of one week from the date set by the Board of Directors in accordance with the Articles of the Company, the actual period being set by the Board of Directors.
- 2) Nominations shall be publicised to the membership and made via a Nominations area in a password-protected part of the IPSE website.
- 3) The nominations area shall allow any full Member of IPSE to indicate his or her intention to stand for the Consultative Council of IPSE. Any Member so indicating shall be a nominee, and shall be listed as such in the nominations area.
- 4) The nominee will be required to provide up to 300 words to state why they are seeking election. This will be required to be supported by a formal proposer, identified by the candidate, who will also be required to provide up to 100 words, to support the nominee, (the proposer counting as one of the 3 seconders).
- 5) The nominations area shall allow up to 3 full Members of IPSE to indicate their intention to second any nominee for the Consultative Council other than himself. Any Member so indicating shall be a seconder of that nominee, and shall be listed as such in the nominations area.
- 6) At the close of nominations each nominee: (a) having 3 seconders, (b) who remains a member of IPSE, (c) is not disqualified from being a Company Director and (d) has not indicated to the Board of Directors his or her desire to withdraw from the Election, shall be a candidate.
- 7) Any person who is successfully elected as a Consultative Council Member in breach of Rule 6(c) above, because of non-disclosure, genuine error or for any other reason, will vacate their place on the Consultative Council immediately the situation is disclosed/discovered.

7.12 Elections

- 1) In the event that the number of candidates is less than or equal to the number of vacancies, all the candidates shall be deemed to have been elected.
- 2) In the event that the number of candidates is greater than the number of vacancies, elections shall be held in accordance with Rules (3) to (8) below.

- 3) The period of voting shall be for a minimum of two weeks starting two weeks after nominations have closed, this is to allow time to prepare and print the ballot papers. The voting period may be greater at the discretion of the Board of Directors.
- 4) Votes shall be cast by postal ballot and via a polling page in a password-protected area of the IPSE web site accessible only to full Members of IPSE during the period of voting. IPSE will use reasonable endeavours to ensure postal ballot papers, together with a reply paid envelope, will be received by all members within seven days of the close of nominations.
- 5) The polling page and postal ballots shall:
 - a) Display the full list of candidates and shall also show their forum username and election statement.
 - b) Allow each full Member to cast votes for no more candidates than there are vacancies. Paper ballots that have votes cast for too many candidates will be counted as 'spoilt papers' and will not count towards the election totals.
 - c) Allow each full Member to vote only once. On receipt, postal votes shall be entered on to the on-line system on behalf of the member, in confidence, by IPSE staff; in the event of a member voting both online and by post, the first vote entered on the system (whether by the member him/herself or by the postal proxy) will count.
 - d) Postal votes received after the close of voting will not be counted.
- 6) At the end of polling the number of votes cast for each candidate shall be calculated and published. The election shall be determined by the procedures described in Rules (7) to (8) below.
- 7) The member in the list of candidates with the greatest number of votes shall be declared elected, and eliminated from the list of candidates. In the event of a tie, the candidate with the earlier nomination shall be elected. In the event of a further tie, lots shall be drawn.
- 8) Rule (7) above shall be repeated until the number of candidates elected is equal to the number of vacancies.
- 9) All retiring CC Members shall have their CC rights and accesses revoked at close of business on the day the CC Election results are published.
- 10) All newly elected CC Members shall have their CC rights and accesses granted on acceptance of the CC non-disclosure agreement, which will be available for signature before or immediately after the election result.
- 11) In the event that a Council Member voluntarily resigns or retires from office during their term or otherwise ceases to be a Council Member, that place shall remain vacant until the next Consultative Council Election.
- 12) Any vacancy arising on the Consultative Council during the period of the election (between the day on which nominations open and the day on which voting ends, inclusive) shall be deemed to have arisen on the day following the election.

- 13) A second or vote shall be considered valid if the member so seconding or voting is a full member at the time such second or vote is made, notwithstanding that the member subsequently ceases for whatever reason to be a member
- 14) Postal ballots will be stored securely at the IPSE head office for six months after the close of voting at which time they will be destroyed.

7.13 CC Meetings

Physical CC Meetings shall typically be held three times a year. One will coincide with the AGM and one will be held before the AGM and will act as a Hustings meeting for the Director elections. Additional physical CC meetings may be scheduled in exceptional circumstances. Remote CC meetings may be scheduled as necessary.

APPENDIX A –

This appendix provides supplementary information, and does not form part of the Rules.

1. Role of the Board of Directors

- 1.1 To make decisions on
- Policy and strategy
 - Governance
 - Conflicts of interest

To exercise oversight and stewardship of

- Performance
- Costs
- Communication
- Legal responsibilities
- Finance & audit
- Reputation
- Risk
- Values
- Remuneration

To represent IPSE internally and externally

The role of IPSE's management is considered to be

- To recommend policy and strategy
- To implement strategy as approved by the Board
- To work within agreed values
- To identify and raise key issues with the Board
- To propose and deliver corporate plans
- To employ staff
- To report to the Board
- To manage all operational functions
- To manage risks and ensure legal compliance

- 1.2 Skills - the skills, experience and qualities required on the Board are as follows:

Collective skills and experience (i.e. required *among* Directors)

- Finance
- Legal knowledge
- Freelancing
- Non-executive directorship or trusteeship

Individual skills (i.e. skills each Director needs to have)

- Understanding of the role and responsibilities of the Board and of Directors, including collective responsibility
- Communication
- Ability to digest and work with all Board papers
- Ability to think at a strategic level

Qualities (of the Board as a whole)

- Diversity

Qualities required by all directors

- Self-appraising

1.3 Directors' Time Commitment

Directors are expected to attend all Board and Consultative Council (CC) meetings, the majority of which must be in person.

If a director misses two consecutive Board meetings, a meeting with the Chairman should follow at which it should be discussed whether the director should stand down from the Board.

2. Induction Procedure

The induction procedure for new Directors should include, but is not limited to:

- reading IPSE's key documents
- a meeting with the Chairman and Chief Executive
 - to familiarise the new director with IPSE's strategy, plans, the Board's practices and ways of working and any issues currently being considered by the Board
 - to answer any questions the new director may have
 - to discuss any skill gaps and how those will be addressed as part of their professional development as directors
 - to determine attendance at an appropriate training programme on the role and responsibilities of company directors
 - meetings with IPSE's senior managers

3. Role of the Nominations Committee

The Board of Directors must have the appropriate skills, experience and qualities both collective and individual as set out above. The Nominations Committee is responsible for identifying suitable candidates to serve as directors. The terms of reference of the Nominations Committee are set by the Board.

The Nominations Committee will consider all potential candidates for directorship, both elected and appointed.

In doing so, the Committee will take into consideration the skills and experience currently needed on the Board, which they will identify in consultation with the Board and bearing in mind the positions due to be vacated in the near future, such as Chairman and Honorary Treasurer. If directors coming to the end of a term of office wish to offer themselves for re-election, the Committee will also consider whether they remain suitable candidates to serve as directors.

As regards appointed directors, in any year there will normally only be one position to be filled and in some years none. The Nominations Committee, again in consultation with the Board, will consider the skills and experience currently most needed on the Board and will seek candidates with those attributes.

4. Role of the Consultative Council

The Consultative Council is a body of active members representing the interests and aspirations of the membership and will remain:

4.1 an electoral college for the appointment of directors elected from the membership

There will usually be one election a year for two directors. In the event that a director stands down before the end of their term, there may be an additional by election.

CC members are expected to participate in hustings events. For the regular election, one of these will be face to face at the CC meeting. Online hustings and forum hustings may also be scheduled, and, for a by election, these may be the only hustings events.

CC members are expected to vote in the elections. Voting is online.

4.2 a mechanism of consultation on major issues for the Board of Directors and management with representatives of IPSE's members.

There are three regular CC meetings a year, held on a Saturday, which CC members should make every effort to attend. Additional physical CC meetings may be scheduled in exceptional circumstances. There are also consultations in the form of surveys, which CC members should respond to. There are occasional conference calls. The main form of communication between meetings is via the CC forum. CC members should monitor the forum and participate in discussions where appropriate.

4.3 In order to promote productive and useful consultation, the format of CC meetings include methods successfully used in other organisations, such as workshops and break-out sessions in order to provide meaningful dialogue with the Board.

4.4 Topics on which CC could be consulted will include

- Strategic plans
- Performance against strategic plans
- Possible changes to strategy
- Major new initiatives
- Contentious public policy issues
- Major corporate policy positions

CC members may suggest topics for discussion at meetings. When agenda items are proposed, the proposer may, if they choose, propose a useful format for discussions. Other CC members and CC Chair may also propose a format. The CC may reject any such proposal in favour of an open forum discussion

4.5 In addition to the requirements above, there are many other ways that CC members can help IPSE and interact with members. For example:

- Attendance at IPSE's events to meet members and keep up to date with issues.
- CC members may be invited to participate in focus groups and round tables.
- Volunteering for working parties focussing on internal issues.
- Participation in discussions on the members' forums