

# **EXPLANATORY MEMORANDUM : CHANGES TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION FOR THE IAC**

## **In General**

In general I have tried as far as possible to bring the language of the Memorandum and Articles closer to modern usage. Some of the legalese was very old-fashioned.

## **The Memorandum**

Apart from a couple of minor linguistic changes, the only changes of note were to amend the Purpose and Main Object so as to enable the Institute to operate nationally and internationally.

## **The Articles of Association**

The changes or innovations introduced into the Articles, apart from modernising the language used, are dealt with under subheadings below. I have also re-arranged the Articles in a more logical order.

### **(a) Definitions**

New definitions of the Board, Foreign Committees and Plenary have been introduced. This will become clear from a reading of the other Articles.

### **(b) Members and Membership**

There will only be members who may be South African citizens or the citizens of foreign countries and membership will be open to suitably qualified persons in the fields of management, administration, commerce, industry or public affairs. Provision is also made for Honorary Life Fellows and a membership register (a requirement of the Companies Act).

### **(c) General Meetings**

Most changes are aimed at clarifying or modernising the language used. However, in the case of proxies, which at present cannot be voted at a General Meeting, I have reversed this.

### **(d) The Plenary**

This is an entirely new idea and the basis of it is that every three years there should be a convocation or plenary of all South African and foreign members to discuss matters of common interest. Preferably, the plenary should be combined

with a conference and the Board will decide on the venue for each plenary. The plenary provisions will come into operation on a date to be fixed by the Board.

(e) **Foreign Committees**

The Articles of Association in Part A of Schedule 1 to the Companies Act allows public companies to provide for foreign committees. The Institute is neither a public nor a private company but that does not preclude it in its Articles from providing for such committees.

The rationale behind the Article on foreign committees is to grow and promote the Institute beyond the narrower borders of South Africa, where it has to compete with a number of membership institutes, to other countries, notably in Africa, where fewer such institutes exist.

This Article also authorises the Board to arrange tertiary examinations and training in a foreign country in terms of curricula and syllabi developed by the Board in collaboration with the foreign committee concerned. The Institute's links with the IAM (UK) could prove useful here.

Legal disputes between a foreign committee or agent and the Institute will be settled according to South African law.

A foreign committee will have the right to nominate one of its members to serve on the Board as a director.

(f) **The Board of Directors**

The membership of the Board changes significantly. There will be 10 South African Directors, and there can be up to six foreign Directors. Up to five of the South African Directors will represent regional associations for as long as their associations want them to sit on the Board and the other five must be elected by the Annual General Meeting after serving in office for two years. The Board will have to demarcate South Africa into five regions: there has to be a limit to the number of regions. They merit representation but not to the point of creating a huge Board. The Directors vacate their office when the new Articles are adopted, ie, there will have to be an election at the meeting concerned.

A new provision headed Office-Bearers, provides for the annual election of a President and a Vice-President from the Directors. The Immediate Past President is *ex officio* a member of the Board (until the current President becomes Immediate Past President).

The powers of the Board have been expanded to permit it to make awards, confer honours or to give prizes.

The provision that travel expenses for Board members attending meetings shall be paid by the Institute has been deleted. Of course, the Board will continue its present practice but foreign Directors travel costs should be met from their own separate budgets.

#### **MATTERS NOT DEALT WITH**

These are the Mission Statement and Goals and Objects, which should be reviewed and amended. The existing By-laws (on membership), the proceedings of the Board, centres, etc all need review. There will also need to be a By-law for the management of foreign committees and examinations in foreign countries if these concepts are accepted.

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