

Branch Rules

PREAMBLE TO THE RULES Object of the Institute

To promote and facilitate worldwide the determination of disputes by arbitration and alternative means of private dispute resolution, other than resolution by the Court (collectively called "Private Dispute Resolution").

Vision of the Institute and the Egypt Branch

Our vision is for the Institute's global reputation to be so high that all involved in private dispute resolution throughout the world will wish to join and support us. Our vision is also to promote the Egyptian branch regionally and encourage the use of out-of-court dispute settlement mechanisms in Egypt and throughout the MENA region.

1 ROYAL CHARTER AND BYE-LAWS

1.1 The Branch's attention is drawn to the following relevant sections in the Chartered Institute's Supplemental Royal Charter and Bye-laws (as last published on 15 June 2006) which pertain directly to Board of Trustees' responsibilities and obligations vis-a-vis the Branches and concomitantly the Branch's obligations to the Institute and the Board of Trustees.

1.1.1 Supplemental Charter Article 6.1(6) provides:

"The Institute shall have power to establish and/or close Branches of the Institute in such places and on such terms as it may decide."

1.1.2 Bye-law 7 provides:

7.1 The Board of Trustees shall establish, maintain and/or close Branches of the Institute in accordance with Regulations as published from time to time. Applications to open a new Branch should be addressed to the Director General, in writing, in accordance with the Regulations.

7.2 The Board of Trustees shall cause to be published from time to time Branch Rules, which shall form the basis of all rules adopted by the Branches.

7.3 The Branch shall be entitled, upon the approval of the Board of Trustees, to establish Chapters in accordance with the Institute's Regulations and Branch Rules, which may apply from time to time.

7.4 The activities of the Branch shall be subject to the directions of the Board of Trustees and, in the case of the implementation of Bye-law 5.5(2), subject also to the directions of the Board of Management.

7.5 The Branch shall submit an annual report on its activities and proceedings and those of its Chapters to the Board of Management within three months of the end of the calendar year.

7.6 The assets of the Branch and its Chapters, and any monies held in any bank account maintained by the Branch and its Chapters shall be and shall remain under the beneficial ownership of the Institute. The Branch and its Chapters shall account to the Institute for such assets and monies in such manner and at such times as the Board of Trustees shall direct. The elected committee members and officers of the Branch and Chapter shall act as fiduciaries to the Institute for such monies.

1.1.3 Bye-Law 8.1 provides:

The principal management of the Institute shall be in London or in such other place within the United Kingdom as the Board of Trustees may direct.

2 ROLE OF THE BRANCH

2.1 Branch members have knowledge of the area in which they practice and are in direct contact with potential users of arbitration and alternative dispute resolution processes. Accordingly, the Branch represent the Institute in its locality, and is uniquely placed to develop and promote the objects of the Institute and particularly to promote and popularise arbitration and alternative dispute resolution. The Branch shall strive to contribute to the development of the Institute, with a substantially expanded membership, in co-operation with local arbitral and ADR institutes as well as the Institute's worldwide network of Branches.

2.2 The functions, duties and responsibilities of the Branch are as follows:

2.2.1 to promote and represent the Institute, its services, arbitration and ADR and uphold the standards of the Institute throughout the designated Branch area through use of the local media, by direct contact with the public, local professions, businesses and organisations by:

2.2.1.1 arranging and promoting both social and technical Branch activities, such as: periodic meetings for the reading of papers, the delivery of lectures, the holding of demonstration arbitrations and other ADR mechanisms;

2.2.1.2 conducting arbitration and other ADR training courses, when so authorised by the Education and Membership Committee; the Branch will agree with the Education and Training Department of the Institute on an annual basis the level/type of course(s) that the Branch will run in the Branch area in the particular year;

2.2.1.3 arranging the acquisition and dissemination of useful information connected with arbitration and ADR;

2.2.1.4 affording a means of professional and social communication between members of the Branch and others concerned with arbitration and ADR;

2.2.1.5 co-operating with other professional bodies on matters of common interest; and

2.2.1.6 setting up and running arbitration and ADR surgeries as part of the CPD programme, as approved by the Board of Trustees; and

2.2.2 to seek to increase membership through recruitment campaigns for new members of appropriate professional backgrounds and capabilities and, inter alia, to:

2.2.2.1 assist the Board of Management in identifying those areas of commerce, industry and the services where there is likely to be a growing demand for arbitration and ADR within their geographical region.

2.2.2.2 within its geographical region, act as the focal point for its members and arbitration/ADR users by developing individual Branch sub-sites to the Institute's website (and, in reasonable time, where it has an independent website, to transfer it to the Institute's website platform), or to provide material (at least an introduction to the branch, a programme of events and committee contact details) to the Executive for inclusion on the Institute's website; updating such material on a regular basis and encouraging the exchange of information.

2.3 The Branch shall in addition have the following functions, duties and responsibilities:

2.3.1 to promote locally a wider knowledge of the law and practice of arbitration and ADR;

2.3.2 where appropriate to consider and advise upon improvement in the law, practice and procedures of arbitration and ADR in Egypt and to keep the Executive informed of relevant developments;

2.3.3 when so authorised by the Board of Trustees, to establish a panel of suitably qualified arbitrators, mediators, and/or adjudicators; and

2.3.4 where appropriate and duly authorised, to set draft examination papers and answers for consideration and approval by the Examinations Board.

3 SCOPE OF AUTHORITY

3.1 The Branch is encouraged to assume a measure of devolved responsibility, under the umbrella of the Institute, in upholding its objectives, and in the provision of training and services as defined in the Supplementary Royal Charter and Bye-laws.

3.2 In order to ensure that the Institute, and ultimately its Branches, develops in a coherent manner, the Branch shall endeavour to provide the Executive with a Branch Plan supported by a Proposed Budget, thus forming a Business Plan for their development by the end of December each year for programmes commencing the following year.

THE BRANCH RULES

1. NAME AND CONSTITUTION

The Branch shall be called the Egypt Branch and these Rules shall be subject to the Supplemental Charter and Bye-laws of the Institute. The Branch shall cover the following area:

Egypt, Libya, Palestine, Sudan and Syria.

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DEFINITIONS

In these Rules:

"the Board of Management" means the Board of Management of the Institute, appointed by the Board of Trustees in accordance with Bye-law 5;

"the Board of Trustees" means the Board of Trustees of the Institute;

"the Branch" means the Egypt Branch of the Institute;

"The Bye-laws" means the Bye-laws of the Institute and any reference to a Bye-law shall be construed accordingly;

"Branch Committee" means the committee elected by the members of the Branch to manage the Branch;

"Chapter" is a subsection of a Branch of the Institute, formed to further the Object of the Institute at its local level;

"Director General" is the senior Executive Officer of the Institute and means any person so appointed to exercise the delegated duties and responsibilities on behalf of the Board of Trustees and Board of Management;

"the Executive" means the Executive Directors and staff of the Institute based at the Office of the Institute;

"Electronic Communication" means the same as in the Electronic Communications Act 2000, or any amendment thereof

"international" means outside Egypt;

"the Office of the Institute" means the principal place of business of the Institute;

"the Institute" means The Chartered Institute of Arbitrators;

"The Rules" means these Rules, and any reference to a rule shall be construed accordingly;

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3. MEMBERSHIP

3.1 Membership of the Branch shall comprise those members of the Institute whose billing address, as shown on the member's profile and recorded in the central membership database, is within the Branch area.

3.2 In addition, a member may be affiliated (at no cost to the member) to one or more Branches other than the Branch in which he is located, as above, if he so wishes. In this event the member

should apply to the Branch of his choice for affiliation. Affiliation to a Branch entitles the member to attend all Branch meetings. It does not give a member any voting rights in such Branch or any right to stand for election to the Branch Committee of such Branch. The Branch shall have the right to determine whether it wishes to accept or reject that member's application, which shall not be unreasonably refused.

3.3 In the event of the billing address of a member being in an area where there is no Branch, then, should he wish to join a Branch, he should apply to the Executive for membership of the Branch of his choice. The Executive will determine whether the member may join the Branch of his choice and will not unreasonably decide that he should join a different Branch.

3.4 In the event of a dispute over membership of a Branch the dispute may be referred by a member to the Director General for a decision.

3.5 Upon ceasing to be a member of the Institute, a person shall also forthwith cease to be a member of any Branch of the Institute.

4. BRANCH SUBSCRIPTIONS

4.1 Egypt Branch - may charge an annual subscription up to GBP 100. The Branch may, also, charge appropriate fees to members attending such meetings, functions or other Branch activities as may be organised by the Committee.

4.2 The Branch shall also be entitled (in consultation with the Board of Trustees) to agree among individual members of such Branch as to whether or not a Branch subscription is to be payable, on the grounds of hardship. With regard to members resident in countries for which members in Annual General Meeting have agreed special provision, the level of Branch subscription will be set accordingly.

4.3 The actual level of subscription for those members of Branches who are not located in an area for which special provision has been made is to be set after consultation with the Board of Management. It is to be collected by the Institute, unless otherwise agreed, and thereafter remitted to the Branch.

5. ORDINARY MEETINGS

Ordinary meetings of the Branch for educational or social or other similar functions shall be held at such times and places as the Branch Committee shall decide. The Chair shall be taken by the Chairman or, in his absence, by the Vice-Chairman of the Branch or by such other person as the Branch Committee may decide.

6. ANNUAL GENERAL MEETING

6.1 The year for the purpose of the annual report and accounts shall be as per the Institute's financial year, which commences on the 1st January.

6.2 The Branch shall on or before the 30th day of June in each year hold an Annual General Meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notice calling it. The Annual General Meeting shall be held at such time and place as the Branch Committee shall appoint.

6.3 The purpose of the Annual General Meeting of the Branch shall be to receive the Report of the Chairman, the Financial Statement of the Branch, either the report of the auditors or the independent examiner, whichever is appropriate, which shall be deemed to be ordinary business. Any other matters raised by the Branch Committee at the Annual General Meeting will be deemed to be special business.

6.4 The election of members and the appointment of ex officio members of the Branch Committee shall take place at the appropriate Annual General Meeting taking into consideration that membership of the Branch Committee shall be for a two-year period.

6.5 In accordance with Bye-law 20.2 the purpose of the Annual General Meeting shall also be, where appropriate, to elect a Fellow of the Institute, as Branch candidate, to go forward to Congress and stand for election to the office of President, in accordance with Bye-law 20.7. This is further set out in Rule 10 below.

6.6 The agenda shall set out the ordinary and special business to be transacted at the Annual General Meeting. The agenda shall accompany the notice calling the Annual General Meeting.

6.7 No business shall be transacted at any Annual General Meeting unless there is a quorum of at least five members personally present and entitled to vote in the case where the Branch membership is less than 500 members; in the case the Branch membership reached 500 or more than 500 members, the quorum shall be 1% of the Branch membership from time to time, such members to be personally present and entitled to vote. The Chairman of the meeting shall have a casting vote.

6.8 If within thirty minutes from the time appointed for holding the Annual General Meeting, a quorum of members is not personally present, the meeting shall stand adjourned to such time and place as the chairman, with the consent of the meeting, shall prescribe. The Honorary Secretary shall inform the members of the date and time of the adjourned meeting in accordance with the notice provisions set out in Rule 9 below.

6.9 On any resolution put to the meeting, (save in respect of elections to the Branch Committee which are governed by Rules 10 and 12.2 below) a vote shall be taken by a show of hands

(which will involve the counting of proxies held by members attending) or if a poll is demanded the procedure shall be that set out in Bye-laws 19.14 and 19.15.

6.10 If a member desires to raise any matter at an Annual General Meeting, he shall give written notice thereof to the Honorary Secretary not less than twenty- one days before the date of the meeting and such matter shall be included on the agenda. No decision may be taken on any matter not on the agenda.

6.10 The Branch Secretary shall send copies of the following documents to the Executive (to be sent by no later than 7 days before the Annual General Meeting):

- the notice calling the Annual General Meeting;
- the agenda;

(The following to be sent within 2 months of the holding of the Annual General Meeting)

- the minutes of the Annual General Meeting;
- in the event of there having been a postal vote, a copy of the scrutineers' report as specified in Rule 9.8 below; and
- a letter confirming that the notice periods prescribed in Rule 9 and 11.2 have been duly complied with.

7. EXTRAORDINARY GENERAL MEETING

By resolution of the Branch Committee, or at the request of the Branch Chairman, or upon a requisition in writing of ten or more members of the Branch specifying the purpose of the meeting, the Branch Secretary shall convene an Extraordinary General Meeting, giving members twenty-eight days notice. The agenda accompanying the notice shall state the purpose for which the meeting is called. Every such meeting shall be held within forty-two days from the passing of such resolution or the receipt of such request or requisition. The quorum shall be ten members present and entitled to vote. The Chairman of the meeting shall have a second or casting vote. On any resolution put to the meeting, voting shall be in accordance with the procedure at Rule 6.8 above.

8. NOTICES AND BUSINESS FOR GENERAL MEETINGS

8.1 At least twenty-eight days' notice specifying the place, day and hour of a general meeting and, in the case of special business, the general nature of the business shall be given to the members in manner hereinafter mentioned, but the accidental omission to send such notice to, or the non-receipt of such notice by, any member shall not invalidate the proceedings.

8.2 The Branch Secretary is to send a notice to members to invite nominations for election to the Branch Committee from the members of the Branch. The timetable for inviting nominations shall be in accordance with Rule 11.2.

8.3 If additional matters are raised, as per Rule 6.9, an amended agenda should be sent to all members fourteen days before the date of the meeting.¹

8.4 Any notices to be given to or by any person pursuant to these Rules shall be in accordance with the applicable rules and policies, which, for the avoidance of doubt, shall include electronic communications.

8.5 The billing address of the member, as shown on the member's profile and recorded in the central membership database, shall be the address to which all notices by the Branch shall be given. If any member fails to notify the Executive of any change to his billing address, he shall not be entitled to receive notices of meetings or other proceedings of the Branch, and no meetings or proceedings shall be invalidated or prejudiced by reason of non-receipt by him of any notice.

8.6 The Branch may give notice to any member either personally or by sending it by post in a prepaid envelope addressed to the member at his registered address or by leaving it at that address or in accordance with sections 308 and 1168 of the Companies Act 2006 (which, for the avoidance of doubt, shall include electronic communications).

8.7 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. In the case of an Electronic Communication, the provisions of section 1168 Companies Act 2006 shall apply. A notice shall be deemed to be given at the expiration of forty-eight hours after the envelope containing it was posted, or in the case of a notice contained in an Electronic Communication, at the expiration of forty-eight hours after it was sent.

9. VOTING FOR ELECTIONS TO THE BRANCH COMMITTEE AND THE BRANCH CANDIDATE FOR PRESIDENTIAL ELECTIONS AT ANNUAL OREXTRAORDINARY GENERAL MEETINGS

9.1 A postal vote (or such other method of voting as may be prescribed by the Bye-laws from time to time) shall be necessary in cases where there is to be a contested election to fill a vacancy or vacancies on the Branch Committee (Rule 12.2) or to elect the Branch Candidate for Presidential Elections (Rule 11.4). The procedure for an election by postal vote (or such other method as referred to above) shall be in accordance with Bye-law 20.3 and shall be as follows:

9.2 Independent local scrutineers shall be appointed by the Branch Chairman, and approved by the Director General, who shall be either auditors, or the local equivalent of the Electoral Reform Society, or such other responsible body as the Director General may from time to time approve, provided that one of them is willing to act.

9.3 The Branch Chairman shall forward the nomination papers to every eligible member at least fourteen days prior to forwarding the voting papers as specified in Rule 9.5. Branch members may only nominate members from their own Branch.

9.4 If there is more than one candidate nominated, any candidate may within seven days of the closing date for the nominations withdraw or, with his consent, be withdrawn by the nominators in writing. If there are still two or more remaining candidates, an election shall be conducted as set out below. If the candidates validly nominated are not more in number than the number of vacancies, those nominated shall be deemed duly elected.

9.5 The Branch Chairman shall, in accordance with the time limits laid down in the Bye-laws in these Rules and the Bye-laws, forward a voting paper to every eligible member and the voting paper shall be in such form as the Director General from time to time directs.

9.6 The voting papers shall be delivered or returned by post, prepaid, to the scrutineers at least seven clear days before the date fixed for the Branch Annual General Meeting. Any voting paper not received by that date shall be invalid.

9.7 As soon as the voting papers have been examined and the results of the election ascertained by the scrutineers, the voting papers, which shall remain confidential at all times, shall be retained by them for one month after the election, and then destroyed.

9.8 The scrutineers shall make and sign a report in which they shall state the total number of voting papers received, the number rejected and the grounds for rejection, the total number of votes in favour of each candidate, and the names of those who are duly elected, and shall send such report to the existing Branch Chairman and the Director General, not later than three clear days before the date of the Branch Annual General Meeting.

9.9 The scrutineers' report shall be conclusive as to the facts of the election, notwithstanding any irregularity or informality. Provided always that if there be an equality of votes the chairman of the Branch Annual General Meeting may give such casting vote as may be necessary to remove the equality and complete the election.

9.10 The report of the scrutineers shall be read at the Branch Annual General Meeting.

9.11 Elections under this Rule shall take effect as from the conclusion of the pertinent Branch Annual General Meeting.

10. ELECTION OF THE BRANCH CANDIDATE FOR PRESIDENTIAL ELECTIONS

10.1 In accordance with Rule 6.4 and Bye-law 20.7 the Branch shall, when appropriate, elect a Fellow of the Institute, as Branch Candidate, to go forward to Congress for election to the office of President.

10.2 All Branch candidates must have been nominated in writing, and supported by four other members of that Branch.

10.3 Any candidate may within fourteen days of the closing date for the nominations withdraw or, with his consent, be withdrawn by the nominators in writing.

10.4 If there is only one candidate nominated by the Branch, that candidate will be deemed to have been elected as the Branch candidate. If there are however two or more candidates, an election shall be conducted. Elections pursuant to this Rule 10 shall be by postal vote (or such other method of voting as may be prescribed by the Byelaws from time to time), as provided in Rule 9.

10.5 The successful Branch candidate must have given a written undertaking to serve and fulfill the duties expected of the posts of President, Deputy President and Vice President, if elected by the members in Congress.

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11. THE BRANCH COMMITTEE

11.1 The management of the Branch shall be vested in the Branch Committee, which shall consist of not less than six or more than fifteen members ("the elected members") and in addition not more than five of the duly elected Chairmen of the Branch's Chapters (if any).

11.1.1 At each Bi-Annual General Meeting one third of the elected members, or if the number of elected members is not a multiple of three, then the number nearest to but not exceeding one third shall retire from office. Those to retire shall be those who have been longest in office since their last election and, in the event of two or more having been in office for the same length of time, and a lesser number having to retire, such lesser number shall either retire by agreement or by drawing lots. Any elected member wishing to stand for re-election will need to be re-nominated by two members in accordance with Rule 11.2.

11.1.2 In the case of a Branch having less than 500 members, no elected member may serve on the Branch Committee of such Branch for more than three consecutive terms. In the case of a Branch having 500 or more than 500 members, no elected member may serve on the Branch Committee of such Branch for more than two consecutive terms. If an elected member wishes to seek re-election after two or three consecutive terms (as the case may be), he shall not do so until one year has elapsed from the date that he ceased to be a member of the Branch Committee.²

This requirement shall not apply to an elected member who, in his second or third term (as the case may be depending on the size of the Branch membership), is the Vice Chairman, Honorary Secretary, or Honorary Treasurer and intends to stand for election by the Branch Committee as Chairman or Honorary Treasurer after his current term expires; such elected member may stand

for election to the Branch Committee for such further terms, notwithstanding that he has already served two or three terms (as the case may be).

Nominations for election to the Branch Committee signed by two members must be lodged with the Branch Secretary accompanied by a statement from the nominee that, if elected, he will accept office. No person who is not a member of the Branch may nominate or be nominated as a candidate.

Time periods for the election procedure (in days before the date of AGM)

40 days Nomination forms to be sent to Branch members

30 days Nomination forms to be returned to Branch Secretary

20 days Date by which candidates may withdraw or, with their consent, be withdrawn

17 days Voting papers with manifestos of candidates to be sent to Branch members (if contested election)

8 days Voting papers to be received (post or delivery) by scrutineers from members

3 days Scrutineers to deliver their report to the Branch Chairman

11.3 The names of retiring elected members of the Branch Committee who are willing to be re-elected thereto shall be notified to the members in the notice by the Branch Secretary inviting nominations specified in Rule 8.2.

11.4 The Chairmen of the Branch's Chapters shall have the same status on the Branch committee as the elected members. The electoral arrangements for Chapter Chairmen are set out in Annex 2 to the Branch Rules. If there are more than five Chapter Chairmen who qualify to be members of the Branch Committee then they shall nominate five of their number to serve. If they cannot agree who is to serve, the Branch Chairman shall supervise a ballot among the Chapter Chairmen.

11.5 The Branch Committee shall have power to fill any casual vacancies that may arise and any member so appointed shall remain in office until the next General Meeting. The Branch Committee may also co-opt up to three additional members for such purposes or for such time as it may think fit but not beyond the date of the next Annual General Meeting. Co-opted members shall have the right to vote.

11.6 The Branch Committee shall meet at such times and places as it shall decide. Minutes of the business transacted at such meetings, including a record of the attendance of the members of the Branch Committee, shall be kept by the Honorary Secretary.

11.7 No business shall be transacted at any Branch Committee meeting unless there is a quorum of at least four members personally present. Participation in the meeting by any of the means set out in Bye-law 17.4 shall constitute presence at the meeting.

11.8 The Immediate Past Chairman shall be an ex-officio member of the Branch Committee, and shall have the right to vote. The Immediate Past Chairman shall not offer himself for re-election to the Branch Committee until at least three years have elapsed from the expiry of his last term of office.

11.9 The Trustee for the Region within which each Branch is situated shall be an ex officio non-voting member of such Branch Committee and shall be entitled to receive all Branch Committee papers of the Branch, on request.

11.10 The President shall be entitled to attend any Branch Committee meetings and receive Branch Committee papers, on request, in his ambassadorial role.

11.11 Should any member of the Branch Committee cease to be a member of the Institute, or leave permanently the geographical area covered by the Branch, or be absent without an accepted apology from three consecutive meetings, he shall be deemed to have vacated office.

12. OFFICERS

12.1 The Branch Committee shall from amongst its members elect (and shall have power to fill casual vacancies) a Chairman, one or more Vice Chairmen, an Honorary Secretary an Honorary Treasurer, a Public Relations Officer. In the absence of exceptional circumstances a member shall not serve as Chairman for a period longer than six years without a break of one year. Where exceptional circumstances are deemed to exist, specific approval is to be obtained from the Board of Trustees.

12.2 The Branch Committee may also appoint an Education and Training Officer, a Webmaster, a Membership Development Officer, and/or an Events Co-ordinator, from among the members of the Branch, to assist the Branch Committee.

12.3 A Vice Chairman shall deputise for the Chairman in his absence, and in the event of there not being a successor to the chair after a consecutive six year term of office, the Vice Chairman shall take the chair on a pro tem basis until the next Annual General Meeting at which a Chairman shall be elected to the Branch Committee.

12.4 Any two of the offices of Honorary Secretary, Honorary Treasurer, Branch Public Relations Officer, and/or Vice Chairman may, at the discretion of the Branch Committee, be held by one person.

12.5 The Board of Trustees shall have the power to investigate and if deemed necessary dismiss the Chairman, Vice Chairman, Honorary Secretary, Honorary Treasurer, Public Relations Officer and/or any other officer of the Branch Committee should there be evidence of any significant failure in the proper management of the Branch or the duties of the officer. The Board of Trustees shall not dismiss any officer until it has received representations from the Branch Committee and the individual concerned. Such representations may be made in writing or, if so requested or deemed appropriate, in person at a meeting of the Board of Trustees.

12.6 If 10 members of the Branch consider that the Chairman is not able to discharge the duties of his office they may requisition the Branch Secretary to summon an Extraordinary General Meeting. If such meeting resolves that the Chairman is not able to discharge those duties the Chairman shall be deemed to have resigned.

12.7 In accordance with Article 14.1 and Bye-law 6.2(5) each elected Branch Chairman will normally represent his or her Branch at the biennial meeting of Congress. In the event of the Branch Chairman being unable to represent his or her Branch at Congress, the Branch Vice Chairman or such other member as shall be elected by the Committee shall be the Representative.

13. BRANCH PATRONS

13.1 The Branch may appoint from amongst eminent members of its local community one or more Patrons. Each Patron must be a person whom the Branch considers will prove effective in helping the Branch to develop and to fulfill its objectives. Before any approach is made, the Branch must obtain the agreement of the Board of Trustees to the appointment.

14. FINANCIAL CONTROL - REGULATION OF MANAGEMENT OF ASSETS AND FUNDS OF THE BRANCH

14.1 The assets of the Branch including any Chapter or Chapters established in accordance with Bye-law 7 and any monies held in any bank account maintained by the Branch, and/or any of its Chapters, shall be and shall remain under the beneficial ownership of the Institute. The Branch and its Chapters, if any, (through the Branch) shall account to the Institute for such assets and monies in such manner and at such times as the Board of Trustees may direct, as provided herein in Rule 14.3 below. In accordance with the provisions of Bye-law 7.6, the Branch and its Chapters, if any, and the elected committee members and officers thereof shall act as fiduciaries to the Institute for such assets and monies.

14.2 The funds of the Branch shall be derived from:

14.2.1 a discretionary grant which may be made by the Board of Trustees each year; or, for International Branches, the Branch annual subscription; and

14.2.2 any surpluses which may accrue to the Branch through its activities.

14.3 The funds shall be under the management of the Branch Committee, and shall be used only to pursue the objectives of the Institute in their geographical area and support the business plan of the Branch, and its Chapters, if any, as agreed with the Board of Trustees each year, if applicable.³ In the event of the Branch being closed or amalgamated or in some other way ceasing to exist in its present form, such funds will be disposed of as directed by the Board of Trustees.

14.4 The Branch shall open an account in the name of the Branch at a bank approved by the Committee and shall, through its Honorary Treasurer, keep proper income and expenditure accounts which shall be made up to the end of each quarter. The Branch shall file a statement of account a copy of the bank reconciliation as at the quarter-end and such VAT information (where applicable) as the Institute may require with the Institute quarterly by the 14th day following the end of the calendar quarter. Year-end information shall be sent to the Institute no later than the 31st January of the year following the last financial year. The Branch financial records must always be kept up to date and be made available for inspection by the Institute or its auditors on reasonable notice, if so requested. The Branch must comply with local tax requirements (as and if applicable). A Chapter may, with the approval of the Branch Committee, open a Chapter account and shall supply the Branch with such information regarding the Chapter account as the Honorary Treasurer of the Branch shall require.

14.5 It is a requirement for all larger Branches to have their year-end accounts and financial records externally audited. Larger Branches are defined as those Branches which in the previous financial year had either total income or net assets in excess of £10,000 or have one or more Chapters within the Branch area. The funds of any such Chapter shall be part of the assets of the Branch (as stated in Rule 14.1) and such funds shall be included in the Branch accounts and be subject to the Branch audit. All Branches, including those that do not meet this criteria, may be subject to periodic visits by Institute staff for the purpose of carrying out an internal audit to ensure that information being reported to the Institute in accordance with Rule 14.4 is being properly and accurately compiled with the cost of such routine visits being borne centrally. Branches which fail to meet the timetable for the submission of financial information laid down in Rule 14.4 may be visited by Institute staff in order to prepare or otherwise obtain the information required by that rule and the cost of such visits will be borne by the Branch.

14.6 The person appointed by the Branch to carry out the audit function required by Rule must be independent. This person may be either a Registered Auditor or an independent examiner. A Registered Auditor is an individual holding appropriate qualifications under the relevant applicable legislation. An independent examiner need not be a practicing accountant but must have the requisite ability and practical experience to carry out a competent examination of the Accounts and must have no connection with the Trustees (the individual Board of Trustee

members) which might inhibit the impartial conduct of the examination. The following persons are deemed to be connected persons for this purpose:

- a) Branch Committee members or other Branch officials;
- b) A major donor or beneficiary;
- c) A close relative, business partner or employee of a person within (a) or (b) above.

Every effort should be made to have the audit carried out on an honorary basis but it is recognised that in order to maintain complete independence, there may be circumstances where an appropriate fee will be required.

14.7 Cheques shall be signed by the Honorary Treasurer and one other member of the Branch Committee. The Honorary Treasurer and one other Branch Committee member shall be authorized to carry out electronic transactions of Branch funds if the Branch maintains an electronic bank account.

14.8 In the event of any unexpected expenditure arising, from for example the calling of a requisitioned Extraordinary General Meeting, the Branch may apply to the Institute for a supplementary grant before incurring the expenditure. The Institute will consider all such requests in a timely manner but will not be bound to make any grant, either in whole or in part.

14.9 For the avoidance of doubt, in the event of any breach of the fiduciary duty imposed by this section of the Rules on the Branch elected committee members and officers thereof, in connection with the financial control and regulation of the assets and funds of the Branch, the individuals concerned may be held personally liable to the Institute to make good any losses sustained/caused thereby.

15. CHAPTERS

15.1 A "Chapter" is a subsection of a Branch of the Institute, formed to further the Object of the Institute at its local level.

15.2 The Branch shall be entitled, upon the approval of the Board of Trustees, to establish Chapters consisting of members residing in a particular part of the Branch area. The requirements for establishing a Chapter in Branch area and for upgrade of a Chapter to a Branch are set out in Annex 2 to these Rules.

15.3 The role and function of the Chapter shall be to:

- promote and represent the Institute, its services, arbitration and ADR throughout the designated Chapter area, and
- to provide those members within the Chapter's geographical area additional localised networking and socialising opportunities.

- With the prior agreement of the Branch Committee and through it where necessary of the Education & Membership Committee, to arrange, promote and conduct both social and technical activities, training courses and assessments on behalf of the Branch.

15.4 The affairs of each Chapter will be managed by a Chapter Chairman and, where constituted, a Chapter Committee under the direction of the Branch Committee to which he/it must regularly report and act in conformity with these Branch Rules and any rules, regulations or Bye-laws which may be promulgated by the Institute from time to time. The requirements for appointment and elections of Chapter Chairmen and Chapter Committees are set out in Annex 2 to these Rules.

15.5 The Chapter Committee and/or the Chapter Chairman shall have such powers authorities and discretions with respect to the management of the affairs of the Chapter, as are consistent with the Branch Rules, which the Branch Committee may in its discretion confer on it, or the individual, from time to time.

15.6 Each duly elected Chapter Chairman of a Chapter in a Branch's geographical area shall be a member of the Branch Committee (in accordance with the provisions of Rule 11.1 and 11.4 above) save that no more than five elected Chapter Chairmen may serve on the Branch Committee at any one time.

15.7 The Branch committee may:

- fill any casual vacancy that may arise in the Chapter committee, and/or replace an appointed (but not elected) Chapter Chairman, from time to time;
- Appoint up to three Branch members to be additional members of the Chapter committee with the agreement of the Chapter Chairman (if he has been duly elected).
- Any member so appointed shall remain in office until the next elections for the Chapter committee.

15.8 The Branch Committee shall have the power to investigate and if deemed necessary remove any duly elected Chapter Chairman and/or member of a Chapter committee and if thought fit appoint another individual in place of that office holder, should there be evidence of any significant failure in the proper management of the Chapter or the duties of the officer. The Branch committee shall not dismiss any officer until it has received representations from the Chapter Committee and the individual concerned. Such representations may be made in writing or in person as deemed appropriate by the Branch committee. There shall be a right of appeal to the Director General who shall, in his discretion, decide whether the Board of Trustees should become seized of the matter.

15.9 The provisions of these Rules that govern the conduct of the Branch committee shall apply mutatis mutandis (insofar as they are practicable and subject to the express requirements of Annex 2) to the Chapter committee and/or the Chapter Chairman, as the case may be.

15.10 Networking, training and other professional and social events require prior investment. The Branch retains ultimate control and responsibility for audit within the Branch area, but it has a duty both to provide funds and to ensure their ready availability to Chapters. In particular, the Branch must be confident, when applying for the establishment of a Chapter, that it will be able to support the Chapter while it begins to develop the range of activities outlined in Rule 15.3, and that the Chapter can reasonably be expected to become financially self-sustaining in the medium term (see paragraph 2.2.2.3 of the Preamble, Rule 15.3 and paragraph 1.c of Annex 2 of the Branch Rules).

15.11 The assets of any Chapters, and any monies held in any bank account maintained by Chapters, shall be under the direction of the Branch Committee, and shall remain under the beneficial ownership of the Institute.

15.12 Each Chapter shall account to the Branch for such assets and monies. The elected committee members and officers of every Chapter shall act as fiduciaries to the Institute for such monies.

16. SPECIAL INTEREST GROUPS ("SIGS")

16.1 Branches shall be permitted to form SIGS from amongst their members in order to address needs or topics of particular interest to a cross-section of their members.

16.2 A SIG shall have as its leader a SIG Chair who will report to the Branch Committee as to the activities of the SIG.

16.3 The Branch Committee may allocate funds of the Branch to enable a SIG to hold events and other activities as agreed with the Branch Committee from time to time.

16.4 Each Branch is strongly encouraged to form a SIG to address the interests of Young Members in the Branch. The Branch Committee shall allocate funds of the Branch to support its Young Members SIG. A Young Member shall be defined as a member (of any grade) below the age of 40.

16.5 Where a Branch forms a Young Members SIG, the SIG will appoint a Young Members Group Representative ("YMGR") who will have an ex officio seat on the Branch Committee. The YMGR will also represent the Young Members SIG on any international steering group set up by the Institute for Young Members' interests.

17. AUTHORITY TO USE THE NAME OF THE INSTITUTE

17.1 The Branch shall be permitted to refer to itself as a Branch of the Chartered Institute of Arbitrators and may commission the printing of official stationery bearing the Institute's and the Branch's full name and the Institute's logo. The elected officers on the Branch or Chapter Committees thereof, are only licensed to use the Institute's logo and name for the purposes of dealing with Institute and Branch business. All use of the Name, trademarks and logos of the Institute, shall be subject to the regulation and control of the Institute.

18. ADMINISTRATION

18.1 In order to assist with Branch administration, the Branch shall be permitted to employ, engage or otherwise hire a person or persons or a service company or other entity on such terms as the Branch may decide. Such person(s) or company will be paid by the Branch from Branch funds. The Branch Secretary shall inform the Executive as to, and supply details of, the employment, engagement, or hiring of any such person(s), company, or other entity. No family member of a member, whether related by blood or marriage, shall be employed engaged or hired as above, whether directly or through any service company.

19. INTERPRETATION

19.1 By reason of the Institute's Chartered and charitable status, these rules shall be interpreted according to the laws of England and Wales, consistently and in accordance with the Institute's Royal Charter and Bye-Laws in force for the time being. Any dispute or difference arising between the Institute and any Branch or any member in relation thereto shall be referred to the Board of Trustees whose decision shall be final and binding.

19.2 These Rules shall be adopted by the Branch after obtaining the consent of the Board of Trustees.

Notes

1. *It is anticipated that if the Secretary sends out an Agenda and Notice calling a meeting 28 days before an AGM, a member may then raise any additional matter by informing the Secretary not later than 21 days before the AGM. Thereafter the Secretary will have to send out an additional Agenda within 14 days of the meeting.*

2. *The rule relating to the number of terms a member may serve on a Branch Committee is intended to facilitate the rotation of Branch Committee membership. In smaller Branches there may be occasions when, despite calling for nominations, there is a shortage of members willing to stand for election to the Branch Committee. In such a case, the Branch may apply in writing, through the Director General, to the Board of Trustees for a waiver of the limit on the number of consecutive terms a particular member may serve on the Branch Committee. A*

waiver will only be granted if the Board is satisfied that, under all the circumstances, there are insufficient qualified members willing and able to serve on the Branch Committee.

3. Business Plans shall normally be approved by the Board of Trustees before the end of the calendar year preceding the year to which they relate.

ANNEXE 1 to the Branch Rules GUIDELINES ON SETTING UP A BRANCH OF THE CHARTERED INSTITUTE OF ARBITRATORS

1. The Branch Rules set out in detail the responsibilities, powers and rules of a Branch of the Institute. This document is intended as a guide to setting up a branch and should be read in conjunction with the Branch Rules dated June 2011.

2. The Board of Trustees has adopted the following guidelines when it considers whether to approve the formation of a Branch:

2.1 There shall be a minimum of 40 members (in good standing) in the geographical area of the proposed Branch.¹

2.2 The majority of those members must be willing to support the setting up and running of the Branch

3. While the Board of Trustees requires 40 members to recognise an official Branch it recognises that there may not be 40 members of the Institute in the area at the onset of the process

4. We recommend a minimum of 6 people, and preferably 12, acts as an interim committee ("steering group") for an embryo branch, their goal being to get the minimum 40 members. They should elect a chairman and a secretary.

5. The route to gaining members is usually through introductory courses leading to Associate grade (ACI Arb), but if the region in question has an existing population of practicing arbitrators it may well be that they will automatically qualify for membership at other grades (MCI Arb or FCI Arb).

6. The Institute can help with the organisation of an introductory course, but where this involves overseas travel, we would suggest that the steering group attempt to find at least 30 candidates to make the course cost effective. The Institute's Education and Training team will be happy to advise.

7. Once the results from the assessments or examinations from courses are available, the steering group should decide whether they have sufficient support and interest to proceed with the formation of a Branch.

8. Another method that has proved effective in the past is to organise a conference on some aspect of arbitration or ADR in the area. This will attract interest from practicing lawyers

and may even provide the opportunity to mount a workshop on the back of the conference, leading to membership

9. The process of obtaining approval from the Board of Trustees for the formation of a new Branch is generally in two stages.

STAGE 1

10. The steering group should formally request (through the Executive) the Institute's Board of Trustees to approve the formation of a Branch in principle. (A Branch Application template is available from the Executive on request. This sets out the information which the steering group will need to provide to satisfy the Board of Trustees that a new Branch in the proposed area will be viable.)

11. Although the detailed legal requirements for the Branch constitution will be dealt with as part of the second stage (see below), it is imperative that the steering group is confident that there are no issues arising out of local legal requirements which make it impossible to set up the branch, before proceeding to submit the formal Branch Application (above) to the Board of Trustees.

STAGE 2

12. Once the Board of Trustees has approved the formation of a Branch in principle, the second stage is to deal with the setting up and approval of the Branch constitution. The issues in setting up the constitution are discussed in more detail below. It is important to note that any variations of or amendments to the Branch Rules (which are the standard form) require further approval from the Board of Trustees. For this second stage, the steering group/ proposed officers should liaise directly with the CI Arb's Director of Legal Services

13. As part of the Application process, enquiries should be made into any requirements of the local jurisdiction as to any legal formalities of setting up the branch. From experience, the legal formalities of setting up a branch differ from one country to the next.

13.1 Under the standard (in the Branch Rules) a branch of the Institute has no legal entity distinct from the Institute. It is part of the corporate body which is the Institute. It follows that it is automatically subject to the constitutional requirements and Objects of the Institute. This is important from the point of view of the Institute's charitable status, as it ensures that every part of the Institute is compliant with the requirements of the Charity Commission in the UK. Furthermore, under English law, the fact that a branch has a separate committee to manage its affairs does not make the branch a separate legal entity. The Board of Trustees remains legally responsible for the finances and activities of all branches.

13.2 It is possible that a new branch may only be able to establish itself by setting up as a separate entity in the local jurisdiction. There are two main reasons for this:

13.2.1 The local branch officers consider that limited liability status, or a separate vehicle, will protect them from liability in the event of a third party, or indeed a member, bringing proceedings against them and/or

13.2.2 Local law may dictate that, as a matter of local regulatory requirements, the branch cannot operate within the region, especially as a charity, without having a separate entity which is capable of being registered locally.

14. These factors can make complying with local requirements while meeting the Institute's requirements complex. All variations from or amendments of the Branch Rules will need the approval of the Board of Trustees; and the Board of Trustees and the Institute shall have complete discretion as to whether or not to accept or reject such amendments or variations. The Institute's Director of Legal Services should be consulted before the structure for the Branch locally has been determined. The Director will provide more detailed advice as to how to comply with the various requirements.

15. Once approval (both stages) from the Board of Trustees has been obtained and the steering group has taken the necessary steps to comply with local law, the steering group should hold a general meeting to do the following:

- Elect a committee
- Adopt the appropriate set of branch rules/constitutional documents
- Send a copy of the adopted and signed branch rules to the Executive.

For further assistance on this important procedure, please contact the Director General at the Institute.

A group of members (not being part of a Chapter) within an existing Branch area wishing to form a new Branch will not, except in the most exceptional circumstances, be permitted to do so without first having demonstrated that they can be viable as a Chapter over a period of at least five years.

Notes

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ANNEXE 2 to the Branch Rules:

THE FORMATION OF A CHAPTER, CHAPTER FUNDING, AND THE UPGRADE OF A CHAPTER TO A BRANCH FORMATION OF A CHAPTER

1. Groups of members within an existing Branch geographical area may apply for the formation of a Chapter in the first instance to the Chairman of the Branch in question. If the Branch

supports the application, which it will not unreasonably refuse, it will forward the application on the Group's behalf to the Director General, who will instruct the Executive to prepare a submission for the Board of Trustees to consider, including:

- a. Details of the geographical area that the proposed Chapter will cover;
- b. Confirmation that there is a minimum of 15 members (in good standing) in the geographical area of the proposed Chapter (or such lesser number as the Branch Committee and Executive jointly conclude is the minimum necessary to ensure the proposed Chapter's viability) and that the majority of those members are willing to support the setting up and running of the Chapter;
- c. The Branch's recommendation, recognising the potential future aspiration of any Chapter to become a Branch, confirming that it will support the Chapter financially as appropriate (see Rule 15.10), and giving the names and standing of the proposed initial office holders;
- d. The view of the regional Trustee;
- e. Any other information considered relevant by the Executive.

2. On the Branch Committee's decision to recommend the first Chapter in its geographical area, it will take cognizance of the potential aspirations of concentrations of members elsewhere in its area to form Chapters and will discuss with the Executive how it will apportion geographical responsibilities accordingly in the future.

3. Should the Branch oppose the application it shall inform the Director General, or if it fails to do so, the group of members wishing to form a Chapter may inform the Director General, of the group's application. The Director General will use his best efforts to broker an amicable resolution between the Branch and the group. Should that fail to resolve the matter, the Director General shall instruct the Executive to prepare a paper for the Board of Trustees to consider as at paragraph 2 above with the following additions:

- a. The view of the group;
- b. Any advice from the Director of Legal Services and
- c. A summary of the advantages and disadvantages of forming a Chapter if appropriate.

4. The Board of Trustees will consider the application at its next physical meeting. Its decision as to whether or not to form the Chapter shall be final.

5. Upon approval by the Board of Trustees, the Branch Committee shall appoint the first Chairman of the

Chapter, to serve as Chairman for a period of no more than three years. Within three years of the Chapter Chairman's appointment, an election for the Chapter Chairmanship (from members in the Chapter area) shall be held, for which office the first, appointed, Chapter Chairman may

be nominated to stand for election. The election will be held according to a simplified form of the Branch Committee election procedures in the Branch Rules. The Branch Committee shall decide how the election shall be conducted and manage the election process.

Nominations by two members resident within the Chapter geographical area will be submitted to the Branch Chairman or his nominee no later than 45 days before the date of the election. In a contested election, voting may be conducted by email.

6. The Branch Committee may, on its own cognizance or at the request of the Chapter Chairman and in any event in consultation with the Chapter Chairman, co-opt any members whose billing address lies within the Chapter geographical area to serve on a Chapter Committee. When the Branch Committee deems it appropriate and in any event no later than the introduction of elections for the Chapter Chairman, Chapter Committee elections will be established on procedures as close to those outlined at paragraph 5 above as is practicable. The Chapter Chairman shall, at his discretion, allot portfolios to such elected Chapter Committee members from time to time.

7. The Chapter Chairman and Chapter Committee members shall serve for a term of three years and be eligible for re-election once, save that the Branch Committee shall provide for sufficient overlap of Chapter office holders to ensure continuity by ensuring an appropriate percentage of the Chapter Committee members retire at every triennial election.

CHAPTER FUNDING

8. The development of a Chapter as a major source of overall Branch revenue should be applauded by all, and the Branch must give due weight to the benefits being provided through the Chapter to the Branch in planning future expenditure.

9. It is a matter for local agreement as to whether Chapters should have their own bank accounts. The following principles will apply:

a. The Branch will agree with the Chapter annually what activities the Chapter will undertake to organise and the funding of and likely return from them. The Chapter will submit to the Branch a brief outline budget of the intended events and activities sufficient for the Branch to ascertain whether they are likely to cover their costs (a template form will be provided by the Executive). If a loss is forecast, the Branch may at its discretion decide that, a Chapter event should nevertheless take place in the best interests of the Branch and its recruitment and retention of members

b. On the establishment of a Chapter, a funding arrangement should be agreed between the Branch and its Chapter, in consultation with the Executive, recognising that where the Chapter has undertaken to organise a programme of events and activities, the Branch undertakes to provide sufficient ready funds to meet the advance costs of the projected spend

for the forthcoming year. Such funds should be sufficiently accessible so that individual members of the Chapter do not have to use personal funds to underwrite Chapter activities.

c. Should Chapters begin to generate an annual surplus, if they have a Chapter bank account separate from that of the Branch they may with the Branch's agreement retain the surplus until they have built up sufficient funds to underwrite roughly the following year's agreed programme of events and activities (including any subsidy of events, which must have been included in the outline budget approved by the Branch). Thereafter they should remit to the Branch bank account a proportion of any additional surplus to be agreed (it is suggested that 50% might be appropriate). In any event, where a Chapter bank account balance exceeds twice the agreed budget for the previous accounting year the Chapter Chair and Branch Committee will discuss whether the excess should be remitted to the Branch bank account or what other productive use may be made of it. The Executive will wish to be aware of the outcome of that discussion when the Branch audited annual accounts are submitted to the Director of Administration and Finance. Without being overly prescriptive, the expectation is that Branches will establish a cooperative relationship with their Chapters from the outset, including how the funding arrangements will help meet the Institute's overall objectives, with the onus on the Branch to ensure such a relationship exists.

THE UPGRADE OF A CHAPTER TO A BRANCH

10. Only in the most exceptional circumstances will any consideration be given to the upgrading of a Chapter to a Branch without the Chapter first having:

- (i) elected a Chairman and Committee (save in the case of any applications current at the time of this Regulation coming into force);
- (ii) demonstrated that it has been operating successfully and has been financially viable as a Chapter for an appropriate period ¹; and
- (iii) demonstrated that it has the ability to offer all the events and activities appropriate to a full Branch.

11. Any Chapter fulfilling these requirements may apply to its mother Branch to be upgraded to a Branch. If the Branch supports the application it will forward the application to the Director General who will instruct the Executive to prepare the current check list of information relating to the formation of a Branch required by the BoT as set out in Annex 1 to the Branch Rules and pass it to the Board of Trustees for consideration at its next standard meeting.

12. Should the Branch oppose the application, it shall inform the Director General. If it fails so to inform him, the Chapter shall inform the Director General. The Director General will first use his best efforts to broker an amicable resolution between Branch and Chapter. Should this fail (save in the case of any applications current at the time of this Regulation

coming into force where he will report directly to the Board of Trustees), he will then invite the Branch and Chapter to jointly nominate as intermediary one of either the President, the regional Trustee, a neighbouring Branch Chair or other senior office holder as the parties may jointly agree and the Branch Committee and Chapter shall undertake to engage cooperatively with their chosen intermediary to resolve their differences. Should this prove unsuccessful, the intermediary will inform the Director General who will instruct the Executive to assemble the information necessary to prepare the standard check list of information for the Board of Trustees, with the following additional information:

- a. the view of the Chapter;
- b. a report by the chosen intermediary, to which the BoT will attach due weight;
- c. any potential conflicts reported by the Branch or Chapter regarding any participant in the process (absent exceptional reasons, any participant so identified shall recuse himself from any further participation in the process);
- d. any advice from the Director of Legal Services

before submitting it to the Board of Trustees for decision.

Notes

1. The appropriate period will normally be at least five years. The Chapter will also need to show that it has a minimum of 40 active members in the relevant area.