

ISME CONSTITUTION

As adopted by resolution of the Members of the Association passed on the 15 day of June, 1999.

1. Interpretation

In the articles of this constitution the following words and expressions shall have the following meanings respectively.

- 1.1. "The Association" means the association of members calling itself ISME.
- 1.2. "Members" means such individuals, corporate bodies, partnerships or other legal entities as are accepted into membership of the Association by the Membership Committee.
- 1.3. "Membership Committee" means the sub-committee of the National Council, the members of which Committee shall be the Members for the time being of the Board, the function of which shall be to deal with applications for membership or associate membership.
- 1.4. "the National Council" means the council of the Association consisting of 27 members constituted in accordance with the provisions of clause 6.2 of these articles.
- 1.5 "the Board" means the Board from time to time of the Company.
- 1.6 "the company" means ISME Limited.
- 1.7 "the Officers" means the 5 number of members of the National Council appointed to hold the various offices in the Association pursuant to the provisions of clause 7 of these articles.
- 1.8 "the Founding Trustee Shareholders" means Hytherm Limited, Faulkner Export Packaging Limited, Radiomation Limited, Brown and Gilmer Limited, Irish Fencing Limited, C&C Springs Limited and Monnary By Products Limited and their successors of the Original Shares.

1.9 "the Original Shares" means the original 7 shares the Company issued to the Founding Trustee Shareholders.

1.10 "the Additional Trustee Shareholders" means the 7 Members as selected by the National Council who shall be directors of the Company and directors of Irish Small and Medium Enterprises Association Limited or their successors to whom the New Shares will be issued.

1.11 "the New Shares" means the 7 New shares in the capital of the Company to be issued to the Additional Trustee Shareholders.

1.12 "the Appointees" means the 3 Members of the National Council which the Founding Trustee Shareholders are entitled to appoint pursuant to the provisions of Article 15.7 hereof.

1.13 "Due Date" means the anniversary of the date upon which a Member or an associate member was admitted to membership of the Association.

2 Name of Association

The name of the Association shall be ISME.

3 The Registered Office

The registered office of the Association shall be 17 Kildare Street, Dublin 2. The Registered Office may be changed by a majority vote of the National Council.

4 The Objects of the Association

The objects of the Association are:

- 4.1 To encourage, promote, co-ordinate, participate and assist in the education of Owner, Manager of Small and Medium Enterprises in Ireland on the conduct of small business.
- 4.2 To encourage promote co-ordinate participate and assist in the education and the development of good

- business practice with the object of establishing, supporting and assisting small business in Ireland.
- 4.3 To seek representation at local, national, european and international levels to develop and agree good business practice.
 - 4.4 To conduct briefing sessions on all matters affecting the proper conduct of small business.
 - 4.5 To conduct seminars and encourage debate on matters affecting the proper conduct of small business.
 - 4.6 To produce papers with a view to the clarification or definition of good practice.
 - 4.7 To edit, print, publish, any periodicals guides, pamphlets, books, or other publications which may be considered useful towards advancing the objections of the Association.
 - 4.8 To co-operate and liaise with government statutory bodies, state agencies, trade unions or organisations and others in pursuant of the above objectives.
 - 4.9 To provide a fund for the advancement of the objectives of the Association by collecting fees, commissions, levies or contributions as the Board may from time to time determine.
 - 4.10 To acquire, lease, rent, or hire properties, equipment and/or other assets in pursuance to the objectives of the Association.
 - 4.11 To enter into contractual arrangements with the Company or other bodies from time to time for the purpose of implementing the objectives of the Association.
 - 4.12 To hold the beneficial ownership of the Original Shares and the New Shares in the Company and the

entire shareholding in Irish Small and Medium Enterprises Association Limited.

- 4.13 To establish policy committees and other sub-committees as it considers appropriate to consider and advise on matters within the Association's scope and dissolve any such policy committees upon the determination of the Board when the Board considers this appropriate

5. Determination and Implementation of the Policy of the Association

- 5.1. The Association hereby vests in the Board all matters relating to the operation administration and implementation of the policy of the Association.
- 5.2. All decisions of the Board shall be implemented by the Association in such manner as the Board shall determine.
- 5.3. All decisions of the Board which fall in law to be implemented by the National Council or any of the Officers shall be implemented as required by the Board and in a timely fashion.

6. The National Council

- 6.1. The Association shall have a National Council in which there shall be vested;
 - 6.1.1 The determination of the policy of the Association from time to time.
 - 6.1.2 The Power to appoint the Officers.
 - 6.1.3 The power to impose upon Members an annual subscription based upon the scale of charges determined by the Board.
 - 6.1.4 The power to impose upon Members contributions or fees in accordance with the scale of determined by the Board.

6.1.5 The power to appoint 7 members of the National Council to the Board and to the Board of Irish Small and Medium Enterprises Association Limited on a biannual basis, five of whom shall be the Officers and two of whom shall be Members of the National Council.

6.1.6 The power of removal of the 7 members of the Board and the 7 members of the Board of Small and Medium Enterprises Association Limited appointed by the National Council and their replacement with such other persons as the National Council may determine.

6.2 The National Council shall comprise of 27 Members as follows:

- a. The Officers
- b. The Appointees
- c. 19 Members

6.3 The term of office of each member of the National Council, save as otherwise provided, shall be 2 years but any Member shall be eligible for re-election for a further term or terms not to exceed 4 consecutive terms. PROVIDED HOWEVER that any term served as an officer shall not be taken into account. Members shall not become eligible again for election after the expiration of one further term of 2 years any term or terms served by members on the National Council prior to the adoption of this constitution shall be taken into account for the purpose of determining the number of consecutive terms served on the National Council but any term served as an Office shall be excluded.

6.3 Any casual vacancy arising in the membership of the National Council may be filled by such Member or Members as shall be voted to the National Council by simple majority of the remaining Members of the National Council. The term of office of the Member or Members so appointed shall be for the remainder of the term of the

former Member causing the vacancy. A Member of the National Council shall cease automatically to be a member of the National Council upon the occurrence of any one of the following events;

- a. If he is an undischarged bankrupt or insolvent or compounds with his creditors.
- b. If he becomes restricted or disqualified from acting a Director of a company pursuant to an order made under the provisions the Companies Act 1990.
- c. If he becomes incapable by reason of mental incapacity illness or injury of managing or administering his property and affairs or be found lunatic.
- d. If he is convicted of an indictable offence (other than an offence under the Road Traffic Act 1961 or any Act amending the same save a conviction for dangerous driving causing death) unless the National Council otherwise determine.
- e. If he absents himself from 3 number of consecutive meetings of the National Council and the National Council by simple majority vote to remove him form his position on the National Council.
- f. If he gives the Chairman one calendar month's notice in writing of his resignation from the National Council.

6.5 The National Council shall meet at least 6 times in any one calendar year. The first of such meetings to take place immediately after the Annual General Meeting and on the same day. Should insufficient nominations for election to the National Council be received then the

National Council at its first meeting after the Annual General Meeting shall be entitled to co-opt to the National Council additional Members as it shall by simple majority decide for the purpose of bringing the number of Members of the National Council to 27. In the alternative the National Council at such meeting may determine by simple majority not to co-opt any further Members to the National Council at that time but may do so later.

- 6.6 In addition to the aforesaid 6 meetings, the National Council shall meet at such other times as the Members of the National Council at a meeting of the National Council shall by simple majority determine.
- 6.7 The Chairman shall upon receipt of a requisition in writing signed by not less than 10 members of the National Council call a meeting of the National Council. Upon receipt of a requisition aforesaid the Chairman shall within 10 days of receipt thereof notify all the Members of the National Council of the holding of a meeting of the National Council to be held not earlier than 17 days or later than 24 days after receipt of the requisition aforesaid.
- 6.8 The following procedural rules shall apply to all meeting of the National Council;
- 6.8.1 A minimum of 7 days notice in writing shall be given to each member of the National Council of the holding of any meeting together with a copy of the agenda of the matters proposed to be raised at the meeting. There shall be included in the agenda of all meeting of the National Council an item headed “any other business”.
- 6.8.2 The Chairman of the National Council shall be the Chairman of each meeting of the National Council. If the Chairman is unable to attend or in the event of his not being in attendance within 30 minutes of the time appointed for the commencement of the meeting the Vice Chairman shall then be the

Chairman of the meeting. Should the Vice Chairman not be in attendance within 30 minutes of the appointed time for the holding of the meeting then the Members of the National Council shall by simple majority choose one of the Members present to be Chairman of the meeting.

- 6.8.3 The quorum for each meeting of the National Council shall be ten. In the event of a quorum not being present then the meeting shall be adjourned to such other time and place as the Members present shall determine being a date not earlier than 7 days or later than 14 days for the date of the meeting being adjourned, and the Members of the National Council not present at the meeting shall be advised in writing of the time and place of the adjourned meeting.
- 6.8.4 If at the adjourned meeting a quorum is not present then the Members present shall be deemed to form a quorum.
- 6.8.5 Except as otherwise provided in these articles, resolutions of the National Council shall be by way of simple majority of the Members present and shall be by a show of hands or if the chairman shall decide by way of secret ballot and in the event of there being a tie of votes the Chairman shall have a second or a casting vote.
- 6.8.6 The Chairman of any meeting may with the consent of the majority of the Members present adjourn the meeting from time to time and from place to place. Notice of the time and place of the adjourned meeting shall be sent to all Members of the National Council. An agenda of the adjourned meeting shall also be sent and should it be proposed that additional business be conducted at the adjourned meeting specific reference to such additional business shall be noted on the agenda.

- 6.8.7 The Honorary Secretary shall be responsible to ensure that proper minutes of all meetings of the National Council are kept. The Honorary Secretary shall be entitled to engage the services of a member of staff of the Company for the purpose of taking the minutes of each meeting of the National Council.
- 6.8.8 The minutes of the previous meeting of the National Council shall be read into the record by the Chairman and such changes thereto as shall be required and agreed by the National Council shall be recorded and the Chairman shall then sign the minutes of the previous meeting. A copy of the minutes of the previous meeting shall as soon as possible be furnished to each Member of the National Council. Thereafter production of a copy of the minutes signed off by the Chairman shall be conclusive evidence of the matters transacted at the meeting in question save for manifest error therein.
- 6.8.9 The Chairman of the Association in agreement with the Vice Chairman may at his discretion invite representatives of Members or representatives of organisations or such persons as they consider it may beneficial to have in attendance at a meeting of the National Council, to attend meeting of the National Council in a non-voting capacity.
- 6.9 The National Council shall receive such reports as the Directors shall prepare in respect of the running of the Association. The National Council shall ensure that an internal communications mechanism is established so that information, reports recommendations etc. of importance to the Association and the Members is made available to the Members in such way as the Board shall decide.
- 7 The Officers**
- 7.1 The Association shall have the following officers who shall all be Members of the National Council;
- a. A Chairman.
 - b. A Vice Chairman.
 - c. The Outgoing Chairman.
 - d. The Honorary Treasurer.
 - e. The Honorary Secretary.
- 7.2 At the first meeting of the National Council after the Annual General Meeting of the Association the election of the Officers shall take place.
- 7.3 The Outgoing Chairman shall call for nominations for each individual office of the Association (save the Outgoing Chairman). The nomination of each member as an Officer shall be seconded by a second member of the National Council. Should there be more than 1 member of the National Council nominated for a particularly position as an Officer of the National Council then the Outgoing Chairman shall call for an election either by way of show of hands or secret ballot as he shall determine. Should only one member be nominated for the position of an Officer then there shall be no election and the person so nominated shall be deemed to be unanimously elected to office. Should there be no nomination for the position of a particular office then the Outgoing Chairman shall be entitled nominate a member of the Council to that office and should the member so nominated decline to accept the office the Outgoing Chairman shall continue his nomination until a Member accepts the position.
- 7.4 Upon the completion of the election of the Officers the Outgoing Chairman shall step down and hand over the conduct of the business of the National Council to the newly elected Chairman.
- 7.5 The Officers shall be eligible for re-election as Officers upon the completion of their two year term of office, save that in the case of the Chairman, no additional term shall follow consecutively upon a previous term of that office.
- 7.6 A vacancy arising in the office of Chairman during his term of office shall be filled by the Vice Chairman.

7.7 A vacancy in any other office shall be filled by the National Council by way of election to that office and the procedure set out at clause 7.3 above shall apply save that the Chairman shall have conduct of the said election process.

8. The Honorary Treasurer and the Funds of the Association

8.1 The Honorary Treasurer shall be responsible to ensure that the financial affairs of the Association are conducted in accordance with law, that proper books and record of all financial transactions of the Association are kept and that the Association complies with the fiscal statutes of Ireland as to the payment of tax and so forth, and report to the Members on the financial affairs of the Association at the Annual General Meeting.

8.2 The Honorary Treasurer shall be entitled to engage the services of such professional parties as he shall deem appropriate from time to time for the purpose of implementing his obligations set out at clause 8.1 above.

8.3 The Honorary Treasurer shall also engage the services of the Company for the purpose of fulfilling his obligations set out at clause 8.1.

8.4 The funds of the Association shall in their entirety be at the disposal of the Board for the purpose of enabling the Company to finance the business and administration of the Association.

8.5 The Association shall transfer to such account of the Company as the Board shall direct all funds coming to the Association.

9. The Honorary Secretary

The Honorary Secretary shall be responsible to ensure that the minutes of the meeting of the National Council are properly recorded and signed by the Chairman of each subsequent meeting.

The Honorary Secretary shall be responsible to ensure the

compliance by the Association with all administrative matters set out in these articles to include the holding of the Annual General Meeting of the Association and the election of the National Council.

The Honorary Secretary shall engage the services of the Company to provide staff for the purpose of implementing his obligations under the provisions of sub-classes 9.1 and 9.2 above.

10. Indemnity to Members of the National Council of the Association

Every Officer of the Association for the time being shall be indemnified out of the assets of the Association against any liability incurred by him in the conduct of his duties as an Officer of the Association save that such indemnity shall not apply in the case of criminal act, fraud, gross negligence or acts undertaken by such parties in excess of their authority.

11. Membership of the Association

The Association shall consist of members whether companies organisation firms or persons who accept the principles, objects and rules of the Association. Subject to the provisions of these articles members shall be entitled to participate in and vote at all general meetings of the Association.

The National Council shall upon the recommendation of the Board admit to associate membership, such bodies, agencies or associations for which ordinary membership is not deemed appropriate by the Membership Committee. Such associate members shall not be entitled to participate in or vote at general meetings of the Association.

Application for membership shall be made in such form as the Membership Committee shall require from time to time, and applications for membership shall be accompanied by such documents and information of the

applicant as the Membership Committee shall consider appropriate from time to time.

Applicants accepted into membership by the Membership Committee shall be notified as soon as possible after acceptance of their admittance to membership. Membership shall not take effect until the appropriate subscription, contribution and/or fee has been paid to the Association or until such financial arrangement for the payment thereof as is acceptable to the Membership Committee has been entered into by the Applicant.

12. Subscriptions and Contributions

Each Member of the Association shall pay an annual subscription to the Association as determined by the Board.

Members shall pay such other contributions or fees as may be in force from time to time upon the determination of the Board.

Subscriptions shall be payable within 45 days of the Due Day.

The National Council shall upon being directed in that regard by the Board alter the Due Date so that thereafter the Due Date for payment of subscriptions by each Member shall be upon the same date. To implement any such change to the Due Date the National Council shall be entitled to make such interim arrangements for the payment of subscriptions as shall be necessary.

Contributions and other fees from time to time payable by Members to the Association shall be payable within 45 days of the date of the furnishing of an invoice in that regard by the Association.

The National Council shall be entitled upon requirement in that regard to the Board to require any Member to produce an auditors certificate to substantiate the correctness of the payment of subscriptions, contributions or fees by that Member in accordance with the criteria for

the payment thereof as set down from time to time by the Board.

Members whose subscriptions are outstanding 60 days after the Due Date or payment of whose contributions and/or fees are not discharged within 60 days of the furnishing of an invoice in that regard by the Association shall lose the entitlement to attend and vote a general meetings of the Association or to receive communications, periodicals reports and so forth as the Association may from time to time prepare.

Members whose subscriptions, fees or contributions are in arrears for a period of 90 days from either the Due Date of the date of furnishing of an invoice in respect thereof by the Association shall cease to be Members of the Association.

Members shall be entitled to resign their Membership of the Association at any time. The Association shall not be obliged to make any refund of subscriptions contributions or fees to such resigning member.

12.10 A Member of the National Council being a shareholder or employee of a Member whose subscription, fees or contribution are in arrears of 60 days or more shall cease to have a right to attend National Council meetings. Should the Member aforesaid lose membership of the Association by virtue of non-payment of subscription fees or contribution then the National Council member shall cease immediately to be member of the National Council.

13. Suspension/Expulsion

The Board may at its absolute discretion require the National Council to suspend or expel from membership any Member who:

- a. Is in breach of the Rules of the Association to an extent that the Board is of the view that it is inappropriate that such Member should continue as a Member of the Association or,

- b. Has been placed in liquidation or receivership or has suffered an examiner to be appointed over its assets or if an individual has been declared a bankrupt and remains un-discharged.
- c. If he is convicted of an indictable offence (other than an offence under the Road Traffic Act 1961 or any Act amending the same save a conviction for dangerous driving causing death)

Notice of the intention of the National Council to suspend or expel a Member from the Association shall be sent by registered post to the Member concerned and such Member shall have the right to make submissions, either written or oral to a meeting of the Board convened for the purpose of considering the matter.

The decision of the Board shall be implemented by the National Council and shall be final and binding upon the Member concerned.

14 General Meetings

- 14.1 The National Council shall cause an Annual General Meeting of the Association to be held each calendar year PROVIDED HOWEVER that an Annual General Meeting shall be held not later than 15 months after the previous Annual General Meeting.
- 14.2 Extraordinary General Meetings of the Association shall be convened upon a decision of the National Council in that regard so to do.
- 14.3 The National Council shall be obliged to convene an Extraordinary General Meeting of the Association upon receipt of a requisition in that regard signed by not less than 35 members.
- 14.4 The Notice to be given of the holding of an Annual General Meeting or an Extraordinary General Meeting shall be 21 days notice in writing. With the notice of the

holding of a General Meeting of the Association the National Council shall ensure that an agenda of the matters to be dealt with at the General Meeting is dispatched. In the case of the Annual General Meeting there shall be included on such agenda a heading "Any other Business".

- 14.5 The Chairman shall be the Chairman of General Meetings of the Association. Should the Chairman be unable to attend or should he fail to attend within 30 minutes of the appointed time then the Vice Chairman shall be the Chairman of the General Meeting. Should the Vice Chairman not be in attendance within 30 minutes of the appointment time then such person as shall be voted by the Members present at the General Meeting shall be Chairman.

15. Procedure for Nomination and Voting to Membership of the National Council

- 15.1 Voting for membership of the National Council shall be by way of postal vote.
- 15.2 Not later than 35 days before the date proposed by the National Council for the holding of the Annual General Meeting, the Association shall cause a notice to be sent to the Members requesting them to submit written nominations for membership of the National Council. Nominations must be returned to the scrutineers appointed by the Board at the offices of the scrutineers as detailed by no later than the date set out in the notice requesting nominations. Each Member may nominate not more than 5 members for election to the National Council.
- 15.3 Only persons who are either shareholders or employees of Members themselves shall be entitled to be nominated for Membership to the National Council.
- 15.4 Persons who receive nominations from not less than 3 number of Members shall be eligible for election to the National Council.

15.5 Upon the expiration of the closing date for receipt of nominations, the scrutineers shall satisfy themselves that all persons duly nominated will accept their nomination. The Association shall thereafter cause to be prepared a ballot paper which shall include thereon the name of each person validly nominated for election to the Council who have indicated their acceptance of their nomination. The number of vacancies on the National Council shall be specified on the ballot paper. The Members shall be entitled to have one vote for each vacancy only.

15.6.1 With the service of the notice of the holding of the Annual General Meeting the Association shall send ballot papers to the Members. Members shall be entitled not later than 5 working days before the holding of the Annual General Meeting to return to the scrutineers at their office the ballot papers within the time preferences indicated thereon. Upon receipt of ballot papers within the time specified above the scrutineers shall cause to be prepared a list of all the nominated persons and the votes casted in their favour. The 23 number of nominated persons with the highest votes shall be deemed to be elected as National Council Members. The results of the postal ballot shall be declared to the Annual General Meeting by the Chairman.

15.7 The Founding Trustee Shareholders shall be requested by the Association to furnish details to the Association of the names of the Appointees not later than 7 days before the date of the Annual General Meeting.

16 Counting the Votes and Nominations

16.1 The determination of all nominations for election to the National Council and the counting of all ballot papers for that purpose and the determination of all votes of the Association cast at general meetings being either postal votes, secret ballots or voting by hand shall be conducted by scrutineers who shall not be members of the Association but who shall either be Solicitors or Accountants. It shall be for the National Council upon

the determination of the Board to appoint scrutineers from time to time. The decision of the srutineers shall be final and binding on the Association save in the case of manifest error or fraud. The costs payable to the scrutineers shall be as recommended to the National Council by the Board.

17 Interim Measures.

17.1 The first Annual General Meeting of the Association after the adoptions of this constitution shall be held not earlier than 20 days or later than 30 days after the date of adoption hereof.

17.2 The Members of the first National Council to be elected by the Members after the adoption of this constitution shall be determined in accordance with the following interim measurers;

17.2.1 Not later than 5 days after the adoption of this constitution by the Association, the Association shall serve notice on the Members of the date of the holding of the Annual General Meeting. With the said Notice the Association shall request written nominations for membership to the National Council, notifying the Members that nominations must be received at the offices of the scrutineers not later than 7 days after the service of such notice. Service shall be deemed to have been effected 24 hours after posting. The provisions of clause 15.4 above as to the nomination of persons for Membership to the National Council shall apply.

17.2.2 Within 14 days of the closing date for receipt of nominations to the National Council the Association shall serve on the Members ballot papers for voting for membership of the National Council. The closing date for receipt of the return of such ballot papers shall be the 5 days before the date fixed for the holding of the Annual General Meeting. Ballot papers shall be

returned to the scrutineers appointed to scrutinise the ballot papers and the scrutineers shall prepare a list of the Members elected to the National Council.

17.2.3 The provisions of clause 15.7 above shall apply in respect of the appointment of the appointees.

17.3 Pending the election of the first National Council after the adoption of these articles

18 **Alteration to the Rules of the Association**

18.1 Any alteration to these Rules shall be made only at an Extraordinary General Meeting of the Association. Alterations shall only be valid if approved by not less than 75% of the Members of the Association present at such Extraordinary General Meeting.

19 **Auditors**

19.1 The Association at the Annual General Meeting shall appoint the Auditors.

20 **Dissolution**

20.1 The Association may be dissolved at any time upon a resolution carried by a majority vote of 75% plus one of the Members present and voting at a meeting specially convened for that purpose of which not less than twenty one days notice in writing shall be given and at any such meeting twenty per cent of all ordinary members shall form a quorum. Any Surplus of Funds shall not be paid to or distributed among the Members, but shall be given or transferred to some other organisation having objectives similar to those of the Association with a condition imposed that they also prohibit dividends or distributions. Such similar organisation shall be either agreed by 75% of the Members present at the Extraordinary General Meeting at which the vote to dissolve the Association is taken or in the event of no similar organisation being agreed by 75% of the Members present then the matter shall be referred to the Minister for the time being of Enterprise Trade and

Employment of the Minister for Industry for the time being to nominate an organisation to whom the surplus funds of the Association shall be transferred.

21 **Register of Members**

21.1 A Register of Members shall be maintained at the registered office and can be inspected by any paid up member during normal office hours.

ISME ISME

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**As adopted by resolution of the
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the 15th day of June, 1999.**

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