

**CONSTITUTION**  
**OF**  
**PROFESSIONAL ADVISORS TO THE INTERNATIONAL ART MARKET**

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## CONSTITUTION

### 1. Name

The name of the association is Professional Advisors to the International Art Market (the "Association").

### 2. Status and Administration

- (1) The Association is a not-for-profit unincorporated organisation.
- (2) Subject to the matters set out below the Association and its property shall be administered and managed in accordance with this constitution by the members of the Board constituted by clause 8 of this constitution (the "Board").

### 3. Objects

The objects for which the Association is established (the "Objects") are:

- (a) To provide a forum for professionals drawn from the legal, accountancy, insurance, tax and related professions whose occupation includes a significant involvement, at a specialist level, with the international art market;
- (b) To discuss aspects of tax, accounting, administration, legal, risk management and economics that are of general concern to the international art market;
- (c) To advance knowledge and learning of specialist subjects that are not directly art related but are relevant to art collectors and art businesses;
- (d) To organise and hold conferences, meetings and assemblies to provide a forum for the discussion and dissemination of relevant information and data to promote a better understanding of the practical aspects of the foregoing;
- (e) To undertake research and make suggestions and representations of a technical (strictly non-political) nature to governmental and other persuasive bodies to promote a better understanding of the foregoing and to improve the laws and regulations that apply to the international art market;
- (f) To facilitate exchanges amongst members and with people engaged in similar work drawn from different firms and professions, to discuss matters of common interest and to learn how such matters are viewed from differing perspectives;
- (g) Such other purposes, as may be thought fit.

### 4. Powers

In furtherance of the Objects (but without prejudice to the generality thereof) but not otherwise the Board shall have the following powers at its discretion:

- (a) to encourage a dialogue between professionals advising the international art market;

- (b) to commission research and to collate and disseminate information relating to international art market;
- (c) to identify, review, advise and comment on issues related to the international art market;
- (d) to publish newsletters, books, pamphlets, reports, leaflets, journals, films, tapes and instructional matter and to organise lectures, broadcasts and courses of instruction;
- (e) to receive donations, endowments, subscriptions and legacies from persons desiring to promote the Objects or any of them;
- (f) to buy, take on lease or in exchange any property necessary for the achievement of the Objects and to maintain and equip it for use;
- (g) subject to any consents required by law, to sell, lease or dispose of all or any part of the property of the Association;
- (h) to borrow or raise money for the purposes of the Association on such terms and on such security as may be thought fit including making reasonable charges for any services provided hereunder;
- (i) to invest the moneys of the Association in or upon such investments, securities, or property as may be thought fit in the absolute discretion of the Board, subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law;
- (j) to engage or employ an administrator and such other employees, consultants or advisers (who may, subject to the provisions of clause 11, be members of the Board) as are necessary or desirable for the promotion of the Objects;
- (k) to co-operate with other voluntary bodies, charities, professional associations and statutory authorities operating in furtherance of the Objects or of similar purposes and to exchange information and advice with them;
- (l) to establish or support any organisation whose purposes include all or any of the Objects;
- (m) to appoint and constitute such committees as the Board thinks fit and to make rules governing the proceedings of such committees;
- (n) to do all such other lawful things as are necessary for the achievement of the Objects.

## **5. Membership**

- (1) Membership of the Association shall be open to professionals (over the age of 18 years) drawn from the legal, accountancy, insurance, tax and related professions with a proven track record of advising art collectors and/or art businesses.
- (2) Every application for membership shall be submitted to the Board. The Board shall have an absolute discretion whether to allow any application so referred to it or to refuse it.
- (3) Every member (other than an honorary member) shall have one vote.
- (4) The Board may admit distinguished persons to honorary membership. No subscription shall be required from an honorary member. An honorary member may speak but not vote in the transactions of the Association.
- (5) Members shall not bring the Association into disrepute.

- (6) The Board may unanimously terminate the membership of any member: provided that the individual concerned shall have the right to be heard by the Board, accompanied by a friend. If the individual concerned does not exercise his/her right to be heard having been invited to do so with reasonable notice, the Board may unanimously terminate his/her membership by written notice. If he/she makes representations to the Board, the Board shall take them into account. The decision of the Board shall be final.

## **6. Subscriptions**

- (1) An annual subscription shall be paid by or on behalf of all members except honorary members.
- (2) The subscription shall be of such amount and payable on such a day and in such a manner as the Board may from time to time determine. For the avoidance of doubt, the Board may create different categories of members and set different subscription fees for each category.
- (3) The Board may at its discretion (and for such period as it determines) waive or reduce the membership subscription of any member.
- (4) The membership of any member whose subscription is unpaid more than three months after becoming due shall terminate automatically.

## **7. President**

The Board may from time to time elect a President of the Association to hold office for such period as the Board think fit. The President shall be entitled to attend meetings of the Board (but not to vote). The President may always stand for re-election.

## **8. Board**

- (1) The Board shall consist of a minimum of 3 members and a maximum of 10 members all of whom must be members of the Association.
- (2) From the date of the first anniversary of the Association (being 1 March 2012), members of the Board shall be elected to office in accordance with the provisions of clause 16 below or be co-opted in accordance with the provisions of clause 8(6) or 8(7) and shall retire from office in accordance with the remaining provisions of this clause.
- (3) Members of the Board shall hold office for a three year term (subject to earlier termination of office) and may be re-elected at the end of their term of office: provided that after holding office for nine consecutive years a member shall not without the express approval of the Board be eligible to stand for re-election until he or she has been out of office for at least one year. The first term shall commence on 1 March 2012.
- (4) At every annual general meeting of the Association members of the Board who have been in office for three years shall retire.
- (6) In the event that an elected member of the Board ceases to be a member of the Board prior to the expiration of his term of office the Board may, at its discretion, appoint a member of the Association to replace him or her and the replacement member shall hold office for the balance of the term for which the departing member was elected.

- (7) If the number of members of the Board is less than the maximum prescribed by clause 8(1), the Board may appoint co-opted members to fill the vacancies available. Each appointment of a co-opted member shall be made at a special meeting of the Board called under clause 12 and shall take effect from the end of that meeting.
- (8) A member of the Board co-opted under clause 8(7) shall hold office only until the next annual general meeting.
- (9) No person shall serve as a member of the Board who would if elected or co-opted be disqualified under the provisions of clause 10.
- (10) No person shall be entitled to act as a member of the Board whether on a first or on any subsequent entry into office until after confirming in writing his/her willingness to act.

## **9. Honorary Officers**

- (1) The Board shall appoint from among their number the following officers:
  - (a) a Chairman;
  - (b) a Treasurer; and
  - (c) a Secretary.
- (2) The honorary officers appointed pursuant to clause 9.1 shall serve in their appointed position for as long as they continue to be members of the Board unless they resign from that position prior to leaving office.
- (3) The honorary officers shall agree the level of remuneration of the administrator, subject to formal approval by the Board.

## **10. Termination of Membership of the Board**

- (1) A member of the Board shall cease to hold office if he or she:
  - (a) becomes incapable by reason of mental disorder, illness or injury of managing and administering his or her own affairs;
  - (b) is absent without the permission of the Board from all their meetings held within a period of six months and the Board resolve that his or her office be vacated;
  - (c) ceases to be a member of the Association; or
  - (d) notifies to the Board a wish to resign (but only if at least four members of the Board will remain in office when the notice of resignation is to take effect).
- (2) The Board may remove a member of the Board if all members of the Board agree but the Board member to be removed: provided that the individual concerned shall have the right to be heard by the Board, accompanied by a friend. If the individual concerned does not exercise his/her right to be heard having been invited to do so with reasonable notice, the Board may unanimously terminate his/her Board appointment by written notice. If he/she makes representations to the Board, the Board shall take them into account. The decision of the Board shall be final.

## **11. Board Members not to be personally interested**

- (1) Subject to the provisions of sub-clauses (2) and (3) of this clause, no member of the Board shall acquire any interest in property belonging to the Association (otherwise than as a trustee for the Association) or receive remuneration or be interested (otherwise than as a member of the Board) in any contract entered into by the Board.
- (2) Any member of the Board for the time being who is a solicitor, accountant or other person engaged in a profession may charge and be paid all the usual professional charges for business done by him or her or his or her firm when instructed by the other members of the Board to act in a professional capacity on behalf of the Association: provided that at no time shall a majority of the members of the Board benefit under this provision and that a member of the Board shall withdraw from any meeting at which his or her own instruction or remuneration, or that of his or her firm, is under discussion.
- (3) The Board may at its discretion from time to time determine that an amount of money representing a reasonable honorarium be paid from the funds of the Association in respect of work done or exceptional time expended by a member of the Board in the performance of his or her duties; provided that at no time shall a majority of the members of the Board benefit under this provision and that a member of the Board shall withdraw from any meeting at which a payment to him or her is under discussion.

## **12. Meetings and Proceedings of the Board**

- (1) The Board shall hold at least two ordinary meetings each year. A special meeting may be called at any time by the Chairman or by any two members of the Board upon not less than four days' notice being given to the other members of the Board of the matters to be discussed but if the matters include an appointment of a co-opted member then not less than 14 days' notice must be given.
- (2) Meetings of the Board may be held either in person, by telephone or by suitable electronic means agreed by the Board in which all participants may communicate with all other participants.
- (3) The Chairman shall act as chairman at meetings of the Board. If the Chairman is absent from any meeting, the members of the Board present shall choose one of their number to be chairman of the meeting before any other business is transacted.
- (4) There shall be a quorum when at least three members of the Board for the time being are present at a meeting.
- (5) Every matter shall be determined by a majority of votes of the members of the Board present and voting on the question but in the case of an equality of votes the chairman of the meeting shall have a second or casting vote.
- (6) The Board shall keep minutes of the proceedings at meetings of the Board and any sub-committee.
- (7) The Board may from time to time make and alter rules for the conduct of their business, the summoning and conduct of their meetings and the custody of

documents and data. No rule may be made which is inconsistent with this constitution.

- (8) The Board may appoint one or more sub-committees consisting of two or more members of the Board for the purpose of making any inquiry or supervising or performing any function or duty which in the opinion of the Board would be more conveniently undertaken or carried out by a sub-committee; provided that all acts and proceedings of any such sub-committee shall be fully and promptly reported to the Board.

### **13. Receipts and Expenditure**

- (1) The funds of the Association, including donations, contributions and bequests, shall be paid into an account or accounts operated by the Board in the name of the Association at such bank or banks as the Board shall from time to time decide. All payments made from the Association's account(s) (including payments by cheque) must be made in accordance with such bank mandate or policy as the Board may from time to time approve.
- (2) The funds belonging to the Association shall be applied only in furthering the objects.

### **14. Property**

- (1) Subject to the provisions of sub-clause (2) of this clause, the Board shall cause the title to all land held by or in trust for the Association; and all investments held by or on behalf of the Association to be vested either in a corporation entitled to act as custodian trustee or in not less than three individuals appointed by them as holding trustees. Holding trustees may be removed by the Board at their pleasure and shall act in accordance with the lawful directions of the Board. Provided they act only in accordance with the lawful directions of the Board, the holding trustees shall not be liable for their own acts and defaults.
- (2) If a corporation entitled to act as custodian trustee has not been appointed to hold the property of the Association, the Board may permit any investments held by or in trust for the Association to be held in the name of a clearing bank, trust corporation or any stockbroking company which is a member of the International Stock Exchange (or any subsidiary of any such stockbroking company) as nominee for the Board, and may pay such a nominee reasonable and proper remuneration for acting as such.

### **15. Accounts**

The Board shall ensure that accounting records are kept in respect of the Association, that such records are prepared annually or at such other periods as the Board shall determine, and that they are made subject to an independent accountant's report.

### **16. Annual General Meetings**

- (1) There shall be an annual general meeting of the Association which shall be held at such time and place as may be determined by the Board.



- (2) Every annual general meeting shall be called by the Board. The Secretary shall give at least 28 days' notice of the annual general meeting to all the members of the Association provided that accidental or unavoidable failure to give proper notice or the non-receipt of notice by anyone entitled to receive it will not invalidate any proceeding at the meeting. All members of the Association shall be entitled to attend and, with the exception of the President and honorary members, vote at the meeting.
- (3) The Chairman shall be chairman of the annual general meeting, but if he or she is not present, before any other business is transacted, the persons present shall appoint a chairman of the meeting.
- (4) The Board shall present to each annual general meeting the accounts of the Association for the preceding year.
- (5) The Secretary shall give notice to members of the Board posts being vacated at the annual general meeting and shall invite members to nominate candidates (who must also be members) for election.
- (6) Nominations for election as members of the Board must be made by members of the Association in writing and in accordance with the timescale set by the Secretary in the notice of vacancies issued pursuant to clause 16(5). Should nominations exceed vacancies, election shall be by ballot (and may be by electronic ballot) organised by the Board. The ballot shall close not less than four weeks after the date of the notice issued in accordance with clause 16(5) and the result of the ballot shall be announced at the annual general meeting.

## **17. Special General Meetings**

The Board may call a special general meeting of the Association at any time. If at least 10 members of the Association request such a meeting in writing stating the business to be considered the Secretary shall call such a meeting. At least 21 days' notice must be given. The notice must state the business to be discussed.

## **18. Procedure at General Meetings**

- (1) There shall be a quorum when at least 10 members of the Association for the time being are present at any general meeting.
- (2) A resolution put to the vote of the meeting at any general meeting shall be decided by a show of hands and in the case of an equality of votes the chairman of the meeting shall have a second or casting vote.
- (3) A declaration of the result of any vote at a general meeting by the chairman of the meeting shall be conclusive evidence of the fact.

## **19. Notices and documents**

Any notice or document to be served on any member of the Association shall be in writing and shall be served by the Secretary (or by such other person as the Board may from time to time decide) on any member either personally or by electronic means or post in a prepaid letter addressed to such member at his or her last known address in the United Kingdom, and any letter so sent shall be deemed to have been received within two days of posting.

**20. Alterations to the constitution**

The Constitution may be altered by a resolution passed by not less than two thirds of the members present and voting at a general meeting. The notice of the general meeting must include notice of the resolution, setting out the terms of the alteration proposed.

**21. Dissolution**

If the Board decides that it is necessary or advisable to dissolve the Association it shall call a meeting of all members of the Association, of which not less than 21 days' notice (stating the terms of the resolution to be proposed) shall be given. If the proposal is confirmed by a two-thirds majority of those present and voting the Board shall have power to realise any assets held by or on behalf of the Association. Any assets remaining after the satisfaction of any proper debts and liabilities shall be given or transferred to such other institution or institutions having objects similar to the objects of the Association as the members of the Association may determine or failing that shall be applied for some charitable purpose.

Dated 1 March 2011