



# **INSTITUTE OF DIRECTORS – GHANA**

## **CONSTITUTION**

1999

## PREFACE

This document provides an insight into the mode by which the Institute of Directors-Ghana intends to organise and motivate performance so that the interests of all stakeholders are served.

Institute of Directors-Ghana. Essentially, the Constitution deals with the articles by which the Institute is to be governed.

The document should serve as a handbook that provides access to the structure and operations of the Institute of Directors-Ghana.

It was first adopted in 1999, and amended by members in 2009.

**CONSTITUTION OF  
INSTITUTE OF DIRECTORS-GHANA**

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## PART ONE – THE CONSTITUTION

### **1. Supremacy and enforcement of Constitution**

- (1) This Constitution shall be the Supreme law of the Institute of Directors-Ghana
- (2) Any question arising as to the interpretation of any provision of this Constitution shall be referred to the Council whose decision thereon shall be final.

## PART TWO – THE INSTITUTE

### **2. Establishment**

There is hereby established a body to be known as Institute of Directors-Ghana hereinafter called “The Institute”

### **3. Perpetual Succession and seal**

- (1) The Institute shall be a body corporate, with perpetual succession and a common seal and may sue and be sued in its corporate name.
- (2) The Institute may for and in connection with the carrying out of its objects and functions under this Constitution acquire, manage or dispose of any movable or immovable property and may enter into such contracts and transactions as may be expedient.
- (3) The common seal of the Institute shall be kept in such custody as the Council may from time to time determine, and shall not be affixed to any document or instrument except by the order of the Council.

### **4. Mission**

The mission of the Institute of Directors-Ghana is to promote good corporate governance for the benefit of all stakeholders.

This will be achieved through:

- (a) developing a national institutional capacity;
- (b) enforcement of code of ethics, and
- (c) providing education and professional development

## **5. Objectives of the Institute**

The objectives of the Institute are to:

- (a) promote the practice of good corporate governance;
- (b) encourage members to improve upon their professional development;
- (c) promote and safeguard the interest of directors of Companies who carry out their duties competently, fearlessly and in good faith;
- (d) engender investor confidence in the management of corporate bodies;
- (e) provide guidelines for appropriate conduct of directors to enable them strive for the highest standards in ethical behaviour;
- (f) create wealth for shareholders and society; and
- (g) to do all or any such acts and things as may be necessary or desirable or proper or reasonable to carry into effect the objects of the Institute under this Constitution.

## **6. Functions of the Institute**

In order to achieve the objects in the preceding article, the Institute will:

- (a) provide leadership in defining and following national corporate governance information policies through adoption of corporate governance techniques in liaison with stakeholders;
- (b) organise training programmes on matters of interest to members which will contribute towards their professional development;
- (c) maintain a register of directors and by liaising with stakeholders ensure that appointment and removal of directors are done in a transparent manner and in accordance with best practice;
- (d) assist corporate bodies to improve upon their competitiveness and thereby have greater access to global capital market;
- (e) formulate code of ethics which will be observed by members and thereby enhance good corporate governance.

## **7. Acts on behalf of the Institute**

- (1) The Institute shall act through its members in annual and special meetings or its Council or its officers or agents, appointed by or under the authority

derived from the members in annual or special meetings or the Council or any other competent authority.

- (2) The administration and management of the Institute and in particular the carrying out of the objects and the exercise and performance of the functions of the Institute and the enforcement of the same are hereby vested in the Council except such powers as are, by any provision of this Constitution, to be exercised by the members in annual or special meetings.
- (3) Notwithstanding the provisions of the immediately preceding clause of this article, the members may by a special resolution passed at an annual or special meeting:
  - (a) act in any matter if the members of the Council are disqualified or are unable to act by reason of a deadlock on the Council or otherwise;
  - (b) institute legal proceedings in the name of the Institute if the Council refuses or neglects to do so;
  - (c) ratify or confirm any action taken by the Council or;
  - (d) make recommendation to the Council regarding action to be taken by the Council.

### PART THREE – MEMBERSHIP

#### **8. Membership of the Institute**

- (1) There shall be five categories of membership as follows:
  - (a) “Associate member”
  - (b) “Full Member”
  - (c) “Fellow”
  - (d) “Honorary Fellow”
  - (e) “Institutional Member”
- (2) Each category of membership shall have specific eligibility requirements as laid down by the Council.

#### **9. General Disqualifications**

Subject to the provisions of the Constitution no person shall be enrolled as a member of the Institute –

- (a) If he/she has not-
  - (i) attained the age of twenty-one years; and
  - (ii) paid the prescribed fees, or



- (b) If he/she has been-
  - (i) adjudged by a court of competent jurisdiction to be of unsound mind or;
  - (ii) convicted by court of competent jurisdiction whether in Ghana or elsewhere of any offence involving fraud or dishonesty; or
- (c) If, having been adjudged an insolvent or bankrupt he/she has not been granted by court of competent jurisdiction a certificate to the effect that his insolvency or bankruptcy has arisen wholly or partly from unavoidable losses or misfortune.

#### **10. Enrolment**

Any person who is admitted to membership of the Institute shall have his/her name and other particulars entered in the permanent register of Membership upon the payment to the Council of an entrance fee and an annual subscription, the amount of which shall be prescribed by the Council from time to time. For avoidance of doubt the certificate of membership shall remain the property of the Institute and shall on demand be surrendered to the Institute.

#### **11. Cessation and Restoration of Membership**

- (1) A member of the Institute shall cease to be a member upon the occurrence of any of the following events:
  - (a) If he/she resigns in writing provided that such resignation shall take effect from the date of its acceptance by the Council unless it is otherwise decided by the Council;
  - (b) If he/she dies;
  - (c) If he/she becomes permanently incapacitated whether physically or mentally to engage in the work of directorship provided that old age shall not be included in the categories of physical incapacity; or
  - (d) If he/she otherwise becomes disqualified under article 9 of the Constitution or his/her name is struck off the register of members, under article 41 of the Constitution.
- (2) Any person who ceases to be a member of the Institute shall have his/her name struck off the register of members. However, the Council may at any time consider the restoration of his/her membership.

### **PART FOUR – MEETINGS OF MEMBERS**

## **12. Meetings of the Institute**

The meetings of the members of the Institute shall be held in accordance with the provisions of this part of the Constitution.

## **13. Annual Meeting**

- (1) There shall be an annual meeting of the Institute for the transaction of the ordinary annual businesses of the Institute namely:
  - (a) the election of members of the Council including the President and the Vice-President;
  - (b) the appointment of an auditor; and
  - (c) the reception and consideration of the Annual Report of the Council and the Accounts of the Institute with the auditors report thereon. A meeting shall be held in every calendar year and that no more than fifteen months shall have elapsed since the date of the previous annual meeting.

## **14. Special Meetings**

- (1) The Council shall, whenever it thinks fit, convene a special meeting of the Institute. A notice of 21 days shall be given for a Special Meeting but in the case of an extreme emergency, the President may summon a special meeting at shorter notice.
- (2) Upon a request for a meeting in writing signed by not less than 20 members stating the object of the proposed meeting, the Chief Executive Officer shall summon an Extra Ordinary Meeting within 21 days of the receipt of the request.

## **15. Chairman of Meetings**

- (1) At all meetings of the Institute the President or in his absence, the Vice-President shall be Chairman
- (2) In the absence of both the President and the Vice-President a Chairman shall be elected from among the members of the Council present.
- (3) In the absence of all the Council members a Chairman shall be elected from among the members present.

## **16. Proxy**

(1) Any member of the Institute may appoint another member of the Institute as his proxy to attend a meeting of the members. The proxy may be in common form.

(2) The proxy form shall accompany the notice convening any meetings and must be lodged with the Chief Executive Officer at least forty-eight (48) hours before the date fixed for the meeting.

**17. Proceedings at meetings**

Council shall fix the quorum and make regulations of proceedings at meetings in accordance with bye-laws of the Institute. Such regulations may cover voting, adjournment, minutes and notices.

PART FIVE - COUNCIL

**18. Composition of the Council**

The Council of the Institute shall consist of eleven members at least two (2) of whom shall be women and all of whom shall be members of the Institute. The Chief Executive Officer is a member of the Council.

**19. Nomination of Candidates for Council Membership**

Nomination of Candidates for election to the Council shall be made by notice in writing signed by two members and received by the Chief Executive Officer. Such notice shall be accompanied by a written consent from each candidate of his/her willingness to serve if elected.

Council may make changes as it deems appropriate not later than thirty-five (35) days before the date of the annual meeting.

The Chief Executive Officer shall not be subject to voting.

**20. Notice of Nomination for Council Membership**

Notice of the names of all candidates nominated or deemed to be nominated under the last two preceding clauses of this article shall be sent to all members at least fourteen days before the annual meetings.

**21. Election at Annual Meetings**

Any election of members to serve the Institute on the Council shall be made at annual meetings of the Institute and shall be by ballot of members present or by proxy. Each member present at the meeting shall have the right to vote for ten nominees only. Those candidates, to the number of vacancies to be filled, who received the most votes, shall be elected.

**22. Voting by Proxy**

A member who wishes to vote by proxy shall complete the prescribed form and lodge same with the Chief Executive Officer not later than 48 hours before the date fixed for the meeting.

**23. Written Consent**

No member of the Institute shall be appointed or elected to the Council unless his prior consent has been obtained in writing.

**24. Term of Office of Members of Council**

(1) Every member of the Council shall hold office for a period of two years from the date of his election, save that where a person becomes a member of the Council under clause (5) of the article he/she shall hold office for the unexpired term of office of the person he/she is appointed or co-opted to replace.

(2) Any member who serves his/her term of office shall be eligible for re-election.

(3) A member of the Council shall vacate office –

(a) by resignation in writing under his/her hand and addressed to the President of the Institute.

(b) if he/she ceases to be a member of the Institute, or

(c) having been elected by the members he/she is withdrawn by the members at a meeting of the members, or

(d) having been co-opted by the Council, the co-option is discontinued

(4) Any member of the Council who absents himself/herself from three consecutive Council meetings without just cause shall be cautioned and thereafter if he/she shall continue to absent himself/herself, he/she shall automatically cease to be a member of the Council.

(5) In the event of death or vacation of office, for any reason, whether voluntary or involuntary, other than by passage of time by a member of the Council, the Council shall co-opt another person to serve in the stead of the outgoing member the unexpired term of the outgoing member. The Council shall, for just cause, be entitled to revoke the co-option at any time.

(6) A member shall not be elected to hold office as President of the Institute for more than two terms.

**25. Meetings of the Council**

- (1) The Council shall meet at least once in each quarter at such time and place as it may determine.
- (2) A meeting of the Council may at any time be called by the President or Vice-President or at the request in writing, addressed to the Chief Executive Officer of five members of the Council.
- (3) Notice in writing of a meeting of the Council shall be delivered or sent to each member of the Council at least seven clear days before such meeting excluding the day on which the notice is delivered or sent and the day in which the meeting is to be held.
- (4) The notice shall contain, as far as is practicable, a statement of business to be transacted at the meeting and the same shall be deemed to have been duly delivered or sent unless the contrary is shown; and accordingly, subject to the provision of the article the non-receipt of any notice by any member shall not affect the validity of the proceedings of any such meeting provided that whenever the President or the Vice-President certifies in writing that an emergency exists, the notice calling the emergency meeting may be delivered or sent only one clear day before such meeting excluding the day on which the meeting is to be held; and in any such case the non-existence in fact of the supposed emergency shall not affect the validity of the proceedings of the meeting.
- (5) The President or in his absence, the Vice-President, shall preside at all meetings of the Council and in the absence of the President and the Vice-President the members present at the meeting shall elect one of their number to preside.
- (6) Subject to the provisions of this Constitution the person presiding at any meeting of the Council may, with the consent of the meeting adjourn the meeting from time to time and from place to place; but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which adjournment took place.
- (7) No notice need to be given of any adjourned meeting unless it be so directed in the resolution for the adjournment.
- (8) Five members of Council shall form a quorum at any meeting of the Council.
- (9) Proper minutes shall be recorded of all resolutions and proceedings of meetings of the Council and of any Committee thereof, and every minute signed by the person presiding at the meeting to which it relates or at a subsequent meeting shall be sufficient evidence of the facts therein stated.

- (10) All resolutions of the Council shall be declared by a majority and voting shall be by a show of hands. In case of an equality of votes the chairman shall have a casting vote in addition to his original vote.
- (11) Subject to the provisions of this article, the Council may regulate its own procedure.

## **26. Committees of the Council**

- (1) The Council may appoint any number of Committees consisting of such number of persons, whether members of the Council or not as it thinks fit, to exercise its functions under this Constitution.
- (2) The Council may fix the quorum of such committees and lay down rules for regulating the proceedings of such committees.
- (3) The members of any committee appointed by the Council shall with the prior approval of the Council co-opt any person whether a member of the Institute or not to serve on the committee as the Council may agree upon provided that the co-opted member shall not have any right to vote on any issue before the committee to which he/she has been co-opted or at any joint meeting of the committees of the Council.

## PART SIX – SECRETARIAT OF THE INSTITUTE

### **27. Conditions of Appointment**

- (1) The Council may employ upon such terms and conditions as it thinks fit such persons as may be required for the proper and efficient discharge of the Institute's objects and functions.
- (2) The Institute shall have a Chief Executive Officer who shall be the head of the secretariat.
- (3) The Chief Executive Officer shall, subject to such directives as may be given by the Council on matters of policy be responsible for the day to day administration of the Institute.
- (4) The Institute shall have a Secretary appointed by the Council.

### **28. Registered Office**

- (1) The registered Head Office of the Institute shall be in Accra.

- (2) There shall be established other offices in such place as shall be deemed expedient for the administration of the Institute.

## PART SEVEN – FINANCES OF THE INSTITUTE

### **29. Subscriptions**

All annual subscriptions payable under this clause shall be due and payable to the Institute on the first day of January each year or in the case of members admitted after that date, on the date of admission.

### **30. Income of the Institute**

- (1) The income of the Institute shall include ---
  - (a) any money accruing to the Institute in the discharge of its functions including fees and subscriptions paid by members of the Institute;
  - (b) moneys received from organising programmes;
  - (c) grants and donations
- (2) All monies received by or on behalf of the Institute shall be deposited to the credit of the Institute at a bank approved by the Council and the Council may invest such moneys.
- (3) The Council shall be responsible for the maintenance, management and control of any account established on behalf of the Institute and out of such account shall be met all expenses and liabilities incurred by the Institute in carrying out its functions under any provision of this Constitution.

### **31. Accounts**

- (1) The Council shall cause to be kept proper books of accounts and proper records relating thereto and proper account books and records shall not be deemed to be kept if there are not such books as are necessary to give a true and fair view of the institute's functions.
- (2) The Council shall cause to be prepared financial statement of the Institute.

### **32. Appointment of External Auditor**

- (1) The Institute shall have an auditor, who shall audit the books and accounts.
- (2) The first auditor of the Institute shall be appointed by Council. Subsequently, appointment shall be made by members at an annual general meeting.

### **33. Financial year of the Institute**

The financial year of the Institute shall be 31<sup>st</sup> December of each year.

### **34. Annual Budget**

The Council shall cause to be prepared annual budget for the running of the Institute. The Budget shall be approved at a special meeting before it becomes operational.

### **35. Borrowing**

The Council may from time to time borrow money for any of the purposes of the Institute.

## **PART EIGHT – DISCIPLINE AND CODE OF ETHICS**

### **36. Discipline**

The Council shall be the disciplinary authority of the Institute

### **37. Disciplinary Committee**

(1) Where the Council has reasonable cause to believe that it is necessary for disciplinary measures to be taken against a member of the Institute the Council shall appoint a Committee for the purpose of holding an enquiry into the conduct of the member.

(2) No disciplinary measure shall be applied against any member of the Institute unless the Disciplinary Committee has after due enquiry made a report to the Council.

### **38. Forms of Discipline**

Council shall apply any of the following disciplinary measures against a member as appropriate ---

- (a) reprimand;
- (b) suspension for a period that Council may deem fit;
- (c) imposition of a fine;
- (d) striking of the name of the member from the register.

### **39. Notification of Disciplinary Measures**

Any member who is the subject of a disciplinary enquiry by the Council shall have the outcome of the enquiry communicated to him/her within a reasonable time by the Chief Executive Officer.

### **40. Disciplinary Procedures and Rules**

The Council shall make rules regulating the procedures of the Disciplinary Committee and appeals from members.

### **41. Striking off names of Members**



- (1) A member of the Institute shall have his or her name struck off the register of members, if the Council is satisfied that:
- (a) he/she knowingly made false declaration. The burden of proof shall be on the member;
  - (b) he/she has been guilty of professional misconduct;
  - (c) he/she has become subject to any of the disqualifications mentioned in Article 9 of this Constitution;
  - (d) the prescribed dues or other financial commitments to the Institute remain unpaid for such period as the Council may determine from time to time.

**42. Code of Ethics**

The Council shall make rules governing the code of professional conduct of members. All members of the Institute shall be bound by the code.

PART NINE – MISCELLANEOUS

**43. Bye-laws, Orders and Notice**

The Council may with the approval of and subject to any other consents and approvals required under any provision for the time being in force affecting the law and practice of directorship make bye-laws, orders, issue notices having the force and effect of law for matters authorised to be made or prescribed under any provision of this Constitution or otherwise for carrying into effect the principles and purposes of any such provision of this Constitution. All such Regulations, Bye-laws, Orders or Notices, shall be numbered serially.

**44. Amendments**

- (1) Save as hereinafter otherwise provided to the contrary, the members of the Institute may at an annual or a special meeting, amend any provisions of this Constitution by a special resolution.

**45. Commencement**

The Constitution shall come into force on the date of its adoption by the members of the Institute at a general meeting.

**46. Winding Up**

- (1) The Institute shall be wound up or dissolved voluntarily upon a resolution to that effect passed by three-quarters majority of all members entitled to attend and vote at such meeting.
- (2) If upon winding up or dissolution of the Institute, there remains, after the payment of all such debts and liabilities, any further liabilities or assets of the

Institute, the meeting shall determine how such liabilities or assets shall be disposed of.

#### **47. Interpretation**

In this constitution unless the context otherwise requires, the following expression shall mean or include as follows:

“Institute’ means Institute of Directors – Ghana

“Council” means the governing body of the Institute constituted under this Constitution

“Register” means the permanent register to be kept by the Council of members of the Institute

“Chief Executive Officer” means the Head of Secretariat of the Institute.

“Secretary” means secretary to the Council.

“Special Resolution” : A resolution shall be special when it has been passed by not less than seventy-five per cent of the votes cast by such members of the Institute or the Council as being entitled so to do and voting in person or by proxy at a meeting.