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**DAVID STALLON
COMPANY SECRETARY**

THIS EDITION INCORPORATES ALL AMENDMENTS UP TO APRIL 2013

MEMORANDUM OF ASSOCIATION

1. The name of the Company (hereinafter called "the Federation") is the "NATIONAL FEDERATION OF SELF EMPLOYED & SMALL BUSINESSES LIMITED".
2. The registered office of the Federation will be situated in England.
3. The objects for which the Federation is established are as follows:
 - (A) To protect, promote and further the interests of persons who are self-employed or direct or control by ownership or part ownership small businesses and to provide a national voice and platform for such persons.
 - (B) To purchase, take on lease or in exchange, hire or otherwise acquire any real and personal estate which may be deemed necessary or convenient for any of the purposes of the Federation.
 - (C) To construct, maintain, and alter any houses, buildings or works necessary or convenient for the purposes of the Federation.
 - (D) To take any gift of property, whether subject to any special trust or not, for any one or more of the objects of the Federation.
 - (E) To take such steps by personal or written appeals, public meetings, or otherwise, as may from time to time be deemed expedient for the purposes of procuring contributions, to the funds of the Federation in the shape of donations, annual subscriptions, or otherwise.
 - (F) To print and publish any newspapers, periodicals, books or leaflets that the Federation may think desirable for the promotion of its objects.
 - (G) To sell, manage, lease, mortgage, dispose of, or otherwise deal with all or any part of the property of the Federation.
 - (H) To borrow and raise money in such manner as the Federation may think fit.
 - (I) To invest the monies of the Federation not immediately required for its purposes in or upon such investments securities or property as may be thought fit, subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law and subject also as hereinafter provided.
 - (J) To undertake and execute any trusts or any agency business which may seem directly or indirectly conducive to any of the objects of the Federation.
 - (K) To subscribe to any local or other charities, and to grant donations for any public purposes, and may provide a superannuation fund for the servants of the Federation, or otherwise to assist any such servants or any members of the Federation, their widows, children and dependants.

- (L) To establish and support and to aid in the establishment and support of, any other association formed for all or any of the objects of the Federation.
 - (M) To amalgamate or to affiliate with any companies, institutions, societies or associations having objects altogether or in part similar to those of the Federation.
 - (N) To purchase or otherwise acquire and undertake all or any part of the property, assets, liabilities and engagements of any one or more of the companies, institutions, societies or associations with which the Federation is authorised to amalgamate or to affiliate.
 - (O) To transfer all or any part of the property, assets, liabilities and engagements of the Federation to any one or more of the companies, institutions, societies or associations with which the Federation is authorised to amalgamate or to affiliate.
 - (P) To set up a sales organisation whether within the Federation or by means of a subsidiary company or companies to sell and manufacture any objects which can conveniently either give the Federation a profit or assist it in the promotion and publicising of its objects.
 - (Q) To do all such other lawful things as are incidental or conducive to the attainment of the above objects or any of them.
4. The liability of the members is limited.
 5. Every member of the Federation undertakes to contribute to the assets of the Federation, in the event of the same being wound up while he is a member, within one year after he ceases to be a member, for payment of the debts and liabilities of the Federation contracted before he ceases to be a member, and of the costs, charges and expenses of winding-up, and for the adjustment of the rights of the contributories among themselves such amount as may be required not exceeding £1.

ARTICLES OF ASSOCIATION

GENERAL

In these presents the words standing in the first column of the Table next hereinafter contained shall unless the context otherwise requires bear the meanings set opposite to them respectively in the second column thereof.

WORDS

MEANINGS

The Act	The Companies Act, 2006 (each and any reference to which or to a section of which shall include a reference to all and any statutory re-enactments or modifications thereof).
The Companies Acts	The Companies Acts (as defined in Section 2 of the Act) and any further statutory modifications or enactments thereof.
The Constitution	These Articles of Association and the Rules and Standing Orders of the Federation from time to time in force.
The Federation	The above named company.
The Council	The National Council for the time being of the Federation.
The National Chairman	The Chairman of the Federation.
The National Vice-Chairman	Either of the Vice-Chairmen of the Federation.
National Councillor	A member elected to represent his Region on the National Council.
Deputy National Councillor	A member elected to represent his Region on the National Council.
The Executive	The Executive Board of the Federation.
The Directors	The Council and the Executive.
The Head Office	The registered office of the Federation.
The Hon. National Secretary	The Honorary National Secretary of the Federation.
The Hon. National Treasurer	The Honorary National Treasurer of the Federation.
Region	A sub-unit of the Federation, constituted and organised as provided for in the Articles and Rules.
Branch	A sub-unit of a Region, constituted and organised as provided for in the Articles and Rules.
Instrument of Management	Defines the authority, powers, duties and responsibility of the Executive Board in the management and administration of the affairs of the Federation.
Standing Orders	Define the Rules of Debate and Conduct of meetings, and voting.
Member	A person who has paid his subscription, other than a person who is an associate member as defined in the Rules.
Ballot	A written vote conducted amongst the whole of the membership other than at a meeting.
Poll	A count of votes conducted amongst members present in person or by Proxy at a meeting.
Proxy	A member who is entitled to attend speak and vote at a meeting on behalf of another member.

Rules	The instructions which define the method and manner in which the affairs of the Federation shall be managed and administered.
The Seal	The Common Seal of the Federation.
The United Kingdom	Great Britain and Northern Ireland.
Month	Calendar month.
In writing	Written, printed, or lithographed, or partly one and partly another, and other modes of representing or reproducing words in a visible form.

Any words importing the singular number only shall include the plural number and vice versa.

Words importing the masculine gender only shall include the feminine gender; and words importing persons shall include corporations.

Subject as aforesaid, any words or expressions defined in the Act or any statutory modification thereof in force at the date on which these presents become binding on the Federation shall, if not inconsistent with the subject or context, bear the same meanings in these presents. These presents form the constitution of the Federation, together with the Standing Orders and Rules from time to time in force.

1. The Federation is established for the purposes expressed in the Memorandum of Association.
- 2.(a) The Rules of the Federation and any alteration or amendment thereto shall be effective on adoption by vote of the members in General Meeting.
- (b) The Standing Orders for all meetings of the Federation whether at National, Regional or Branch level shall be laid down by the Council.
3. The number of members with which the Federation proposes to be registered is 500,000, but the Executive may from time to time register an increase in members.
4. The subscribers to the Memorandum of Association and such other persons as the Council shall admit to membership in accordance with the provisions hereinafter contained shall be members of the Federation.
5. The provisions of Sections 113 and 114 of the Act shall be observed by the Federation, and every member of the Federation shall either sign a written consent to become a member or sign a register of members on becoming a member.

MEMBERSHIP

6. Membership of the Federation shall be open to any person in accordance with the Rules.
7. The Council shall be able to refuse any application for membership and to refuse to accept the renewal subscription from any member.
8. Every member shall be allocated to the Region and Branch appropriate to his registered address upon the Register of Members. A member may apply in writing to the Executive to change his Branch and must state the reasons for the request. The application should be accompanied by the written consent of the

Branch to which he wishes to transfer and if the proposed Branch is outside the member's existing Region, the written consent of the proposed new Region. The Executive shall have absolute discretion to approve or decline such an application.

9. The Federation may divide the membership into such categories with such rights and obligations as to subscription or otherwise as may be resolved in General Meeting.
- 10.(a) The ordinary annual subscription payable by each class of member of the Federation shall be such sum as may from time to time be fixed by the members either in Annual or Extraordinary General Meeting.
 - (b) Subject to the Executive exercising its discretion to the contrary from time to time any member who resigns from the Federation shall not be entitled to a refund of his subscription.
11. A member of the Federation shall cease to be a member if:-
 - (a) his subscription is more than three months in arrears;
 - (b) he becomes of unsound mind;
 - (c) by notice in writing to the Federation he resigns his membership;
 - (d) by resolution of the Disputes and Disciplinary Committee he be expelled from the Federation unless thereafter such resolution be reversed upon appeal by the member pursuant to the Rules;
 - (e) his renewal subscription is rejected by resolution of the Council in accordance with Article 7.

PROVIDED THAT:-

- (i) Upon a subsequent application for membership by a person who has previously ceased to be a member upon the grounds specified in (a) or (c) above the Council may in the exercise of its discretion under Article 7 above require inter alia that he pay subscriptions in arrear and/or fallen due since his previous membership.
- (ii) A member of the Federation during any periods in which he may be suspended by resolution of the Disputes and Disciplinary Committee and/or upon appeal therefrom shall not be entitled to vote.

REGIONS AND BRANCHES

12. The Federation consists of a number of Regions as defined by the Rules and each Region consists of a number of Branches, as defined by the Rules. Each member shall be registered by the Honorary National Secretary as belonging to one of the Regions of the Federation.
13. Each Region and Branch within the Federation shall conform in respect of its own internal rules, administration, finance, election of officers, and meetings to the Constitution of the Federation. In particular:-
 - (i) Each Branch shall hold an Annual General Meeting of its members and elect a Branch Committee and officers of the Branch namely a Chairman, a maximum of two Vice-Chairmen, Honorary Secretary and Honorary Treasurer by Poll at their Annual General Meeting to serve from the conclusion of the Annual General Meeting until the next Branch Annual General Meeting.
 - (ii) Each Region shall hold an Annual General Meeting of its members and elect a National Councillor, Deputy National Councillor and officers of the

Region, namely a Chairman, a maximum of two Vice-Chairmen, Honorary Secretary and Honorary Treasurer by Poll, at their Annual General Meeting to serve from the conclusion of the Annual General Meeting until the next Regional Annual General Meeting.

- 14.(a) In the event of the death, incapacity, resignation or removal from office of a National Councillor, the Deputy National Councillor shall be confirmed as the National Councillor until the next following Regional Annual General Meeting. The person so confirmed must be willing to act, failing which the Regional Committee of the Region concerned shall elect one of their number to fill the vacancy until the next following Regional Annual General Meeting.
- (b) Where the operation of 14(a) above has created a vacancy for a Deputy National Councillor, the Regional Committee of the Region concerned shall elect one of their number to fill the vacancy until the next following Regional Annual General Meeting.
- (c) In the event of the death, incapacity, resignation or removal from office of a Deputy National Councillor, or any of the officers of a Region, the Regional Committee of the Region concerned shall elect one of their number to fill the vacancy until the next following Regional Annual General Meeting.
15. Regional rules and any alterations or amendments thereto must be presented to and passed by a Regional General Meeting.
16. Branch rules and any alterations or amendments thereto must be presented to and passed by a Branch General Meeting.
17. Each Branch shall be responsible to its Region, and each Region shall be responsible to the Executive for the efficient management of the Branch/Region, and shall adhere to the Constitution. Each Region and Branch shall be responsible for dealing with those purely local matters as shall affect its members and such other matters as shall from time to time be delegated to the Region by the Council or Executive.
18. Funds and assets held by Regions and Branches in the name of the Region or Branch will at all times remain the property of the Federation whether such funds and assets form part of any funding from central funds or funds that have accrued to Regions and Branches from any other sources.

OFFICERS OF THE FEDERATION

19. The Honorary National Officers of the Federation shall be the Chairman, two Vice-Chairmen (hereinafter called where the context requires the "National Chairman and National Vice-Chairmen"), the Honorary National Secretary and the Honorary National Treasurer.
20. The Honorary National Officers of the Federation shall be elected by a Ballot annually by the members nominated by Regions in accordance with the Rules. In the event that no valid nomination is received the Council shall appoint a Member who is eligible to hold such office until the following Annual General Meeting (notwithstanding that if the appointment is as National Chairman the person appointed may already have held such office for the last three years).
21. Each Honorary National Officer shall hold office for one year and shall be eligible for re-election (provided that subject to Article 20, no person elected to the office of National Chairman shall hold such office for more than three years consecutively). In the event of the death, incapacity, removal or resignation of an

Honorary National Officer during his period of office, then, save where pursuant to the provisions of Article 42 below, whereby the Members in the circumstances therein set out in General Meeting have elected a successor, the Council shall appoint a Member of the Federation who is eligible to hold such office until the following Annual General Meeting.

22. In the event of the illness or temporary absence or incapacity of an Honorary National Officer, the Executive may appoint one of their number to carry out his functions, but if such temporary arrangement shall have lasted longer than a continuous period of two months then, unless the Council shall otherwise decide, the Honorary National Officer shall be deemed to have become incapable or to have resigned and the provisions of Article 21 shall apply.

THE SEAL

23. The Seal of the Federation shall not be affixed to any instrument except by the authority of a resolution of the Council and in the presence of at least two members of the Executive Board and of the Honorary National Secretary and the said members and Honorary National Secretary shall sign every instrument to which the Seal shall be so affixed in their presence and in favour of any purchaser and person bona fide dealing with the Federation such signatures shall be properly affixed.

THE COUNCIL

- 24.(i) The Council shall consist of the Executive and one National Councillor from each Region duly established in accordance with the Constitution, elected by that Region in accordance with the Rules. Such National Councillor shall serve on the Council for one year and shall be eligible for re-election.
- (ii) Any person who has held office as National Chairman for a consecutive period of three years shall be entitled to receive notice of meetings of the National Council but only the immediate past National Chairman and the penultimate past National Chairman shall have the right to attend National Council and speak in an advisory capacity only but shall have no right to vote.
25. The Council shall meet together for the disposal of business as often as it shall think fit but shall so meet:-
- (i) at least four times a year with no more than four months between any two meetings;
- (ii) if not less than ten members of the Council request a meeting by a notice to the Honorary National Secretary with particulars of the reason for such meeting being called.
26. The Honorary National Secretary shall convene such meeting of the Council by causing at least fourteen days notice in writing to be given (exclusive both of the day on which it is served or deemed to be served and of the day for which it is given) specifying the place, the day, and the hour of the meeting in manner hereinafter mentioned to all members of the Council, but with the consent of not less than three-quarters of the members of the Council, a meeting may be convened by such notice as those members may think fit.
27. Except as in Article 28 below, no business shall be transacted at any meeting of the Council unless a quorum of 50% plus one of the National Councillors, plus two Honorary National Officers is present.

28. If within half an hour from the time appointed for the holding of a meeting of the Council, a quorum is not present the meeting shall be dissolved. In such case the Executive may, if it thinks fit, call a meeting in substitution for the meeting so dissolved and if at such substituted meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be a quorum.
29. The National Chairman shall preside at all meetings of the Council, and in his absence a National Vice-Chairman shall preside. If neither is present the Council will elect a Chairman for that meeting from amongst Council members present.
30. The Chairman, may, with the consent of any meeting of the Council at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place.
- 31.(a) At any meeting of the Council a resolution put to the vote of the meeting shall be decided on a show of hands or, if the meeting shall so decide at the request of two or more members before the vote is taken, on a written poll of those attending and entitled to vote.
 - (b) In case of equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting shall be entitled to a second or casting vote which shall be cast in favour of the status quo.
 - (c) Unless otherwise required by statute all questions shall be decided by a simple majority or on the casting vote of the Chairman except for the following matters or any questions affecting such matters when the decision shall require a majority of two thirds of the members present and voting.
 - (i) Finance, the annual budget, funding or personal expense allowances.
 - (ii) Ratification of any matter under (i) above for which the Honorary National Officers and/or the Executive Board have taken an urgent decision which must be approved by Council.
 - (iii) Matters involving a motion to a General Meeting concerning a change to the Constitution or a change to the rates of subscription.
 - (d) Each National Councillor or his elected Deputy and each member of the Executive shall have one vote.
32. All acts bona fide done by any meeting of the Council or by any person acting as a member of the Council shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such member or person acting as aforesaid or that he was disqualified, be as valid as if every such person had been duly appointed.
33. The continuing members of the Council may act notwithstanding any vacancy in their body.
34. The business of the Council shall be to call for, to receive and consider a report from the Executive on the affairs of the Federation, to consider the policies proposed by the Policy Committee direct (if thought fit) that an Extraordinary General Meeting of the Federation be convened, nominate and elect the members of the Disputes and Disciplinary Committee and:-
 - (a) not less than one month prior to the Annual General Meeting of the Federation to receive and consider drafts of the income and expenditure account and balance sheet and the report by the Executive to members of the Federation;
 - (b) in the case of the meeting immediately following the Annual General Meeting of the Federation, to elect members of the Executive;

- (c) to consider any relevant matter referred to the Council by the Executive;
- (d) to appoint members of the Federation as Directors to any Subsidiary Company wholly or partly owned by the Federation;
- (e) to draw up an Instrument of Affiliation laying down the conditions under which other organisations will be accepted in Affiliation to the Federation.

POWERS OF THE COUNCIL

- 35.(a) The Council has the power and authority to carry out all such acts as shall be necessary in the fulfilment of the aims and objects of the Federation in accordance with the Constitution.
- (b) In the exercise of these powers, the Council will execute an Instrument of Management which shall delegate to the Executive Board such powers as it shall deem just and appropriate for the effective management and administration of the business of running the affairs of the Federation.

THE EXECUTIVE

- 36. The Executive shall consist of the Honorary National Officers of the Federation, the Chairmen of any subsidiary companies which are trading, the Standing Committee Chairmen and six Members (the Elected Members) nominated and elected by the Council. The six Elected Members must each have served as a National Councillor for at least the period of twenty two months and must have attended at least 75% of the National Council meetings during the last twenty two months of their tenure preceding their election and must not hold a self employed service contract with the Federation at the time of election or during their period of office. In each year one third of the Elected Members of the Executive shall retire from office but shall be eligible for re-election. The election of the Elected Members shall be held as soon as practicable following the Federation Annual General Meeting.
- 37. The Elected Members to retire shall be those who have been longest in office since their last election. As between Elected Members of equal seniority, those to retire shall in the absence of agreement be selected by lot.
- 38. Members of the Executive shall during their period of office be entitled to receive all notices of and to attend to speak and vote at Council meetings.
- 39. The Council shall vote on all nominations for Elected Members of the Executive at the same time by written Poll. The Elected Members shall be those obtaining the highest number of votes. The Executive may co-opt persons on the basis of their expertise. These co-opted persons may serve until the Executive elections in the following year, without the right to vote, but shall be eligible to be co-opted again. On being elected a member of the Executive the member shall immediately resign his position as National Councillor, or Deputy National Councillor and he shall be responsible solely to the Executive and the Council.
- 40. In the event of a vacancy occurring in the Executive for any reason then, save where pursuant to the provision of Article 42 below, whereby the members in General Meeting have elected a successor, the Council shall elect one of its number to fill the vacancy to serve only until the first meeting of the National Council after the next Annual General Meeting of the Federation and any member retiring under this provision shall not be counted as part of those Elected Members retiring pursuant to Article 36.

41. Except as in Article 40, no person shall be eligible for election to membership of the Executive at any Council meeting, unless within the prescribed time before the appointed day for the meeting there shall have been given to the Honorary National Secretary notice in writing by the nominator of his intention to propose such person for election, and also notice in writing, signed by the person to be proposed, of his willingness to be elected. The prescribed time above mentioned shall be such that, between the dates when the notice is served or deemed to be served, and the day appointed for the meeting, there shall not be less than thirty nor more than sixty intervening days.
42. In addition and without prejudice to the provisions of Sections 168 and 169 of the Act, the Federation may by Ordinary Resolution at a General Meeting remove any Director before the expiration of his period of office and the Federation may by Ordinary Resolution appoint a replacement who shall hold office, in the case of an Honorary National Officer so long only as the person in whose place he is appointed would have held the same if he had not been removed and, in the case of any other Executive member until the first meeting of the National Council after the next Annual General Meeting of the Federation.
43. The office of a Director shall be vacated:-
 - (a) if a receiving order is made against him or he makes any arrangement or composition with his creditors;
 - (b) if he becomes of unsound mind;
 - (c) if he ceases to be a member of the Federation;
 - (d) if by notice in writing to the Federation he resigns his office;
 - (e) if he is removed from office by resolution duly passed pursuant to Section 168 of the Act;
 - (f) if he is removed from office by a resolution of the Council duly passed by a two-thirds majority of those present and voting.
44. Any person who has ceased to be a Director as a result of the operation of Article 43 shall not be eligible for the election to the office of Director unless he has applied to Council for their consent and such consent has been given by a resolution of Council duly passed by a two thirds majority of those present and voting.
45. The business of the Federation shall be managed by the Executive, in accordance with the Instrument of Management, which may authorise them to do all such things which were not by statute or by the Constitution required to be exercised or done by the Council or the Federation in General Meeting, subject nevertheless to any regulations of the Constitution, to the provision of the statutes for the time being in force and affecting the Federation, and to such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Federation in General Meeting, but no regulation made by the Federation in General Meeting shall invalidate any prior act of the Executive which would have been valid if such regulations had not been made.
46. The members for the time being of the Executive may act notwithstanding any vacancy in their body; provided always that in the event of a vacancy occurring in respect of any Honorary National Officer or Executive member then save where pursuant to the provisions of Article 42 above the members in General Meeting have both removed and replaced such Honorary National Officer or Executive member, the Honorary National Secretary, or in his absence, any other Honorary

- National Officer shall so soon as reasonably practicable convene a meeting of the Council for the purpose of an election in accordance with Articles 21 and 40.
47. The Executive may meet together for the despatch of business, adjourn, and otherwise regulate their meetings as they think fit, the quorum shall be two-thirds of those entitled to vote (that is Honorary National Officers and elected Executive members). Questions arising at any meeting shall be decided by a majority of votes, in case of an equality of votes the Chairman shall have a second or casting vote, which shall be cast in favour of the status quo.
 48. Three members of the Executive may, and on the request of three members of the Executive, the Honorary National Secretary shall, at any time, summon a meeting of the Executive by notice served upon the several members of the Executive.
 49. The National Chairman shall be the Chairman of the Executive. If the National Chairman is not present within five minutes after the time appointed to hold the meeting, a National Vice-Chairman shall chair the meeting and in his absence members of the Executive present shall choose one of their number to be Chairman of the meeting.
 50. A meeting of the Executive at which a quorum is present shall be competent to exercise all the authorities, powers, and discretions by or under the regulations of the Federation for the time being vested in the Executive generally.
 51. All acts bona fide done by any meeting of the Executive or of any Sub-committee of the Executive or by any person acting as a member of the Executive shall, notwithstanding it be afterwards discovered that there was some defect in the appointment or continuance in office of any such member or person acting as aforesaid or that they or any of them were disqualified, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified to be a member of the Executive.
 52. The Executive shall cause proper minutes to be made of all appointments made by the Executive and of the proceedings of all meetings of the Federation and of the Council and of the Executive and of Sub-committees of the Executive and all business transacted at such meetings, and any such minutes of any meeting if purporting to be signed by the Chairman of such meetings or by the Chairman of the next succeeding meeting, shall be sufficient evidence without any further proof of the facts therein stated.
 53. A resolution in writing signed by all the members for the time being of the Executive or of any Sub-committee of the Executive who are entitled to receive notice of a meeting of the Executive or any such Sub-committee shall be as valid and effectual as if it had been passed at a meeting of the Executive or of such Sub-committee duly convened and constituted.

DISPUTES AND DISCIPLINARY COMMITTEE

- 54.(i) The Council shall appoint a Committee consisting of six members of the Federation none of whom shall at the date of appointment or during their term of office hold any other office above regional level within the Federation which shall be called the Disputes and Disciplinary Committee.
- (ii) Each member shall be appointed for not more than two years and three members shall retire annually by rotation. The members to retire each year shall be the members who have been longest in Office but as between members

appointed on the same day, the ones to retire shall be determined by lot. Members shall be eligible for re-appointment. No two members shall be members of the same Region.

- (iii) Any member of the Committee who has been involved in the hearing of a specific complaint, dispute or other matter which has not concluded shall remain as a member of the Committee only for the purpose of concluding such complaint, dispute or other matter notwithstanding that such member shall have retired pursuant to Article 54(ii) hereof.
- 55. The Council shall appoint a legally qualified person to act as Legal Adviser to the Committee and shall review such appointment from time to time. The Legal Adviser shall have no right to vote.
- 56. The business of the Disputes and Disciplinary Committee shall be to hear consider and adjudicate upon complaints disputes and other matters as specifically provided for in the Rules of the Federation.

ANNUAL BRANCH CONFERENCE

- 57. The Federation shall hold an Annual Branch Conference in accordance with the Rules, the decisions of which shall not be binding.

GENERAL MEETINGS

- 58. The Federation shall hold a General Meeting in every calendar year as its Annual General Meeting at such time and place as may be determined by the Executive, and shall specify the meeting as such in the notices calling it, provided that every Annual General Meeting, except the first, shall be held not more than fifteen months after the holding of the last preceding Annual General Meeting, and within the next financial year following such Annual General Meeting.
- 59. All General Meetings, other than Annual General Meetings, shall be called Extraordinary General Meetings.
- 60. The Executive or the Council may whenever they think fit convene a General Meeting and General Meetings shall also be convened on requisition or in default may be convened by such requisitions as provided by Sections 303 to 305 of the Act.
- 61. Every member shall have one vote and shall be entitled to vote at any General Meeting, either in person or, where the Constitution permits, by Ballot. Ballots shall be conducted by the Electoral Reform Services, or similar organisation appointed by the Council, and the result kept secret and announced by the Honorary National Secretary then in office at the General Meeting at which the Ballot is to take effect. In the case of the election of Honorary National Officers by Ballot, the persons elected shall take office at the moment their election is announced. Honorary National Officers shall be elected on a simple majority of votes cast and in the event of an equal number of votes being cast for each candidate the candidate with the longest continuous membership of the Federation shall be considered elected, except that for re-election, the candidate who has held office shall take precedence over one that has not.
- 62. Save as herein expressly provided, no member other than a member duly registered who shall have paid every subscription and other sum (if any) which shall be due and payable to the Federation in respect of his membership, or a

- Proxy appointed by him, shall be entitled to participate in any Ballot and to attend any General Meeting and participate in any vote or Poll.
63. Twenty-one days notice in writing at the least of every Annual General Meeting and any adjournment of such meeting and of every meeting convened to pass a special resolution and fourteen days notice in writing at the least of every other General Meeting (exclusive in every case both of the day on which it is served or deemed to be served and of the day for which it is given) specifying the place, the day, and the hour of the meeting, and in the case of special business the general nature of that business, shall be given in manner hereinafter mentioned to such persons (including the Auditors) as are under these presents or under the Act entitled to receive such notice from the Federation; but with the consent of all the members having the right to attend and vote thereat, or of such proportion of them as is prescribed by the Act in the case of meetings other than Annual General Meetings, a meeting may be convened by such notices as those members may think fit.
 64. The accidental omission to give notice of a meeting to, or the non-receipt of such notice by, any person entitled to receive notice thereof shall not invalidate any resolution passed, or proceeding had, at any meeting.
 - 65.(a) Proxies may only validly be appointed by a notice in writing in the following form or in such other form as the Federation may specify:

Form of Proxy
National Federation of Self Employed and Small Businesses Limited
Annual General Meeting

Please read carefully the notes relating to this form and consider the accompanying agenda and reports before completing this form

I, being a member of the Company hereby appoint the Chairman of the meeting or (see note 1)

as my Proxy to exercise all or any of my rights to attend speak and vote on my behalf at the [] General Meeting of the Company to be held at [] on [] [20] at [] or at any adjournment thereof. I have indicated with an X how I wish my votes to be cast on the resolutions set out below and I direct that my Proxy will vote (or abstain from voting) as he thinks fit for me and on my behalf in any other matter which may properly come before the [] General Meeting or any adjournment thereof.

RESOLUTIONS (Please mark 'x' to indicate How you wish to vote)

- 1. To receive and adopt the accounts for the year ended [] 20[]
- 2.
- 3. etc
- [] To appoint/reappoint the auditors [] and authorise the Directors to fix their remuneration

For	Against	Vote withheld

Signature

Date

When complete please return the Form of Proxy to the [Electoral Reform Services] (or similar organisation approved by Council from time to time) in the envelope supplied.

To be valid the Form of Proxy should be received by the Electoral Reform Services no later than [] pm on the [] 20[]

Notes.

1. You are entitled to appoint a member of the Company as a Proxy, or the Chairman of the meeting, to exercise all or any of your rights to attend speak and vote. If you wish to appoint a member other than the Chairman please insert the name and address of your chosen Proxy in the space provided and complete the details on the attached Attendance Card which should be given to your Proxy to take to the meeting.
2. For each resolution please indicate with an X in the box provided how you wish to vote. If you fail to select any of the given options on a particular resolution, the Proxy will vote or abstain as he / she thinks fit in respect of your membership.
3. To be valid, the Form of Proxy must be signed, dated and lodged together with the Power of Attorney or other written authority (if any) under which it is signed or an office or notarily certified copy of such power or authority, no later than 48 hours before the time of the meeting (or adjourned meeting) at which the person named on the form proposed to vote with [Electoral Reform Services].
4. Completion and return of the Form of Proxy will not preclude you from attending at the meeting in person if you wish but you should not vote in person if you have also voted through your Proxy.
5. If someone else signs the Form of Proxy on your behalf under a Power of Attorney please ensure that the original or properly certified copy of the Power of Attorney is sent to the Electoral Reform Services with this form.
6. Proxy votes will be included in the vote if a Poll is requested.

- (b) Unless a Form of Proxy indicates otherwise, it must be treated as:
 - (i) allowing the Proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and
 - (ii) appointing that Proxy in relation to any adjournment of the General Meeting to which it relates as well as the meeting itself.
- 66.(a) A member who is entitled to attend speak or vote (either on a show of hands or on a Poll) at a General Meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid Form of Proxy has been delivered to the Federation by or on behalf of that person.
- (b) An appointment under a Form of Proxy may be revoked by delivery to the Electoral Reform Services (or similar organisation approved by Council from time to time) of a notice in writing given by or on behalf of the member by whom or on whose behalf the Form of Proxy was given.
 - (c) A notice revoking a Proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
 - (d) If a Form of Proxy is not executed by the member appointing the Proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the member's behalf.

PROCEEDINGS AT GENERAL MEETINGS

67. All business shall be deemed special that is transacted at an Extraordinary General Meeting, and all that is transacted at an Annual General Meeting shall also be deemed special, with the exception of the consideration of the income and expenditure account and balance sheet, and the reports of the Executive and of the Auditors, and the appointment of and the fixing of the remuneration of the Auditors.
68. No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business. Save as herein otherwise provided, thirty members present personally and by proxy shall be a quorum.
69. If within half an hour from the time appointed for the holding of a General Meeting a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place or at such other place as the Executive may determine, and if at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting the members present shall be a quorum.
70. The National Chairman of the Federation shall preside as Chairman at every General Meeting, but if at any meeting he shall not be present within fifteen minutes after the time appointed for holding the same, or shall be unwilling to preside, a National Vice-Chairman or if no such National Vice-Chairman be present, or if a National Vice-Chairman declines to take the chair, the members present shall choose some member of the Federation who shall be present to preside.
71. The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by 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 business which might have been transacted at the meeting from which the adjournment took place. Whenever a meeting is

adjourned for thirty days or more, notice of the adjourned meeting shall be given in the same manner as of an original meeting. Save as aforesaid, the members shall not be entitled to any notice of an adjournment, or of the business to be transacted at an adjourned meeting.

72. At any General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands, unless a Poll is, before or upon the declaration of the result of the show of hands demanded by the Chairman, or by not less than five members present in person or by Proxy and unless a Poll be so demanded a declaration by the Chairman of the meeting that a resolution has been carried, or carried unanimously or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the minute book of the Federation shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution. The demand for a Poll may be withdrawn. On a show of hands every member present shall have one vote notwithstanding that the member may also have been appointed as a Proxy for one or more members.
73. Subject to the provisions of Article 72, if a Poll be demanded in manner aforesaid, it shall be taken at such time and place, and in such manner, as the Chairman of the meeting shall direct, and the result of the Poll shall be deemed to be the resolution of the meeting at which the Poll was demanded.
74. In the case of equality of votes, whether on a show of hands or on a Poll, the Chairman of the meeting shall be entitled to a second or casting vote, which shall be cast in favour of the status quo.
75. The demand of a Poll other than on the election of a Chairman shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a Poll has been demanded.

ACCOUNTS

76. The Executive shall cause proper books of accounts, which shall be the property of the Federation, to be kept by the Federation, each Region and each Branch with respect to:-
 - (a) all sums of money received and expended by the Federation, Region or Branch, and the matters in respect of which such receipts and expenditure take place;
 - (b) all sales and purchases of goods by the Federation, Region or Branch and
 - (c) the assets and liabilities of the Federation, Region or Branch.Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the affairs of the Federation, Region or Branch and to explain its transactions.
77. The books of account shall be kept at the Registered Office and shall always be open to inspection by the Executive and the Council.
78. The Executive shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Federation, Region or Branch or any of them shall be open to inspection of members not being members of the Executive or the Council, and no member (not being a member of the Executive or the Council) shall have any right of inspecting any account or book or document of the Federation except as conferred by statute or authorised by the Executive or by the Federation in General Meeting.

79. At the Annual General Meeting in every year the Honorary National Treasurer shall lay before the Federation a proper income and expenditure account for the period since the last preceding account (or in the case of the first account since the incorporation of the Federation) made up to date not more than six months before such meeting, together with a proper balance sheet made up as at the same date. Every such balance sheet shall be accompanied by proper reports of the Executive and the Auditors, and copies of such account, balance sheet and reports (all of which shall be framed in accordance with any statutory requirements for the time being in force) and of any other documents required by law to be annexed or attached thereto or to accompany the same shall not less than twenty-one clear days before the date of the meeting, be sent to the Auditors and to all other persons entitled to receive notices of General Meetings in the manner in which notices are hereinafter directed to be served. The Auditor's report shall be open to inspection and be read before the meeting as required by Section 437 of the Act.
80. At the Annual General Meeting every year the Honorary National Treasurer shall further lay before the Federation all proper accounts to comply with Section 405 of the Act and/or all other statutory requirements in relation to all and any subsidiaries of the Federation.

AUDIT

81. Auditors shall be appointed and their duties regulated in accordance with the Act, the members of the Council and the Executive being treated as Directors for such purposes.

NOTICES

82. A notice may be served by the Federation upon any member, either personally or by sending it through the post, prepaid, addressed to such member at his registered address as appearing in the register of members or in electronic format or on the Federation's website subject to complying with the provisions of Schedule 5 of the Act.
83. Any member described in the register of members as not being resident in the United Kingdom, who shall from time to time give the Federation an address within the United Kingdom at which notices may be served upon him shall be entitled to have notices served upon him at such address but, save as aforesaid, and as provided by the Companies Act, only those members who are described in the register of members as having an address within the United Kingdom shall be entitled to receive notices from the Federation.
- 84.(a) Any notices, if served by post, shall be deemed to have been served on the seventh day following that on which the notice is put prepaid into the post, and on proving such service it shall be sufficient to prove that the notice was properly addressed, put into the Post Office and the date of posting properly recorded by the sender in the postal register of the Federation or of the Region or Branch concerned.
- (b) Any notice served in electronic format or on the Federation's website shall be deemed to have been served on the day after it had been sent or in respect of matters displayed on the Federation's website the day after the electronic

communication giving notice or notification that the information is available on the website.

85. The accidental omission to give notice of a meeting to, or the non-receipt of such notice by, any person entitled to receive notice thereof shall not invalidate any resolution passed or proceeding had at any meeting.

HONORARIA

86. The Council may utilise funds for the purpose of granting honoraria, or make such other payments as it shall deem appropriate to remunerate members who fulfil duties or services in the interests of the Federation.

ARTICLE OF INDEMNITY

87. Every member of the Council and of the Executive or other Officer of the Federation shall be entitled to be indemnified out of the assets of the Federation against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office, or otherwise in relation thereto, including any liability incurred by him in defending proceedings whether civil or criminal in which judgement is given in his favour, or in which he is acquitted, and no such person shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Federation in execution of the duties of his office or in relation thereon. But this Article shall only have effect insofar as its provisions are not avoided by any provision of the Companies Acts or by any other provision of law.

RULES

1. MEMBERSHIP

- (a) **Eligibility** – That with effect from the 1st April 2011 membership of the Federation shall be limited to self employed persons and to persons who otherwise direct or control a small business in the United Kingdom who at the time of joining employ or control less than 250 employees and who are not wholly publicly funded or who are otherwise acceptable to the Council.
- (b) **Application for Membership** – All applications for membership will be submitted on a form prescribed for that purpose which will be sent to Head Office for processing and registration in accordance with any Standard Procedures as may be laid down by the Executive.
- (c) **Refusal to accept an Application** – In the event of the National Council having reason to refuse an application for membership, such refusal shall be notified to the Region and Branch concerned.
- (d) **Categories of Membership** – Categories are:-
 - Full Membership: Full voting and membership rights.
 - Joint Membership: Full voting and membership rights for both husband and wife. (Ceased to be available for new members from 1st May 2003).
 - Associate Membership: Designed for Partners and Co-Directors of a Full Member. No voting rights.
 - Retired Membership: Full voting and membership rights.
 - Non Benefit Membership: Any member who does not increase his subscription to the level fixed at any General Meeting held after 21 March 1980 shall remain a member but shall not be entitled to any benefits attached to membership.
- (e) **Registration Fee** – Any applicant for membership (including any former member whose membership has lapsed) shall in addition to the annual subscription pay an initial registration fee set from time to time by the National Council.
- (f) **Holding of Office** – Only members who have full voting and membership rights and are fully paid up members shall be eligible to be nominated for and to hold office at any level in the Federation.
- (g) **Code of Conduct** – Members' interactions with each other, the Federation's employees, the Federation itself or third parties are governed by a Code of Conduct available for download from the FSB website www.fsb.org.uk. A breach of the Code of Conduct will be considered a serious disciplinary matter to be dealt with via the Federation's Disciplinary Procedures and may include referral to the Disputes and Disciplinary Committee where appropriate.

2. DIRECTION, CONTROL, MANAGEMENT AND ADMINISTRATION

The affairs of the Federation shall be directed, controlled, managed, and administered in accordance with the Constitution and Council directives.

3. HONORARY NATIONAL OFFICERS

- (a) The duties and responsibilities of the Honorary National Officers are laid down by the National Council.
- (b) **Election of Honorary National Officers** –

- (i) Properly constituted Branches shall be entitled to submit nominations to their Regional Committee who shall consider all nominations and may select one and only one candidate for each Honorary National Office to be nominated by the Regional Committee.
 - (ii) Any such nomination made by a Regional Committee shall be valid only if it is seconded by the Regional Committee of another properly constituted Region and the nominee has accepted nomination.
 - (iii) Such nomination will be submitted by the properly constituted Region on the prescribed form to the Honorary National Secretary in accordance with any directives of the National Council.
- (c) **Eligibility** – Any member shall be eligible to seek the nomination of his properly constituted Region or Branch provided that:
- (i) He does not hold a self employed service contract with the Federation;
 - (ii) He does not hold a self employed service contract to provide Recruitment Services either directly with the Federation, its wholly owned subsidiaries or with a Recruitment Consultant who holds a self employed service contract with the Federation;
 - (iii) He is not an employee of the Federation and has not been employed by the Federation during the previous five years;
 - (iv) He has been a fully paid up member entitled to vote for a minimum of five years;
 - (v) He has held a position at Regional or National level for a minimum period of two full terms.

4. NATIONAL COUNCILLORS

- (a) The duties and responsibilities of a member elected in accordance with Article 13 to represent his or her Region on the Council are as follows:-
- (i) To attend all meetings of the Council.
 - (ii) When unable to attend a meeting to notify the Deputy National Councillor, who may attend and vote in his stead and the Regional Secretary.
 - (iii) At each meeting of the Regional Committee following a meeting of the Council to present a report to the Regional Committee on the business transacted at the Council.
 - (iv) When specifically requested to vote in the Council in accordance with a resolution of the Regional Committee he will at all times be at liberty to exercise his own judgement if in his considered opinion his action in not acceding to such a request is regarded as being in the wider interests of the Federation as a whole.
 - (v) In the event of a failure of the National Councillor or elected Deputy to attend two consecutive meetings, that Region will appoint a member of its Regional Committee to serve for the remainder of the term of office of the original National Councillor.
- (b) **Eligibility** – Any member shall be eligible to seek the nomination of his properly constituted Region or Branch as National Councillor or Deputy National Councillor provided that:
- (i) He does not hold a self employed service contract with the Federation;
 - (ii) He does not hold a self employed service contract to provide recruitment services either directly with the Federation, its wholly owned subsidiaries or

- with a Recruitment Consultant who holds a self employed service contract with the Federation;
- (iii) He is not an employee of the Federation and has not been employed by the Federation during the previous five years;
- (iv) He has been a fully paid up Member entitled to vote for a minimum of two years;
- (v) He has been a member of the Regional Committee for a minimum of one full term and attended at least 50% of the Regional Committee meetings during his last full term of office.

The Responsibility for ensuring eligibility shall be with the Regional Committee.

If a Region does not have a candidate who meets all the criteria above, the Region shall be allowed to send a member who meets the criteria (i), (ii) (iii) and (iv) as an observer to Council meetings without a vote for a period of one year. If the observer has then attended Council for a period of one year, he shall be eligible for election as a National Councillor or Deputy National Councillor.

5. THE EXECUTIVE

Duties and Responsibilities – The duties and responsibilities of members of the Executive shall be laid down in Standard Procedures approved by the Council.

6. THE DISPUTES AND DISCIPLINARY COMMITTEE

- (a) The Disputes and Disciplinary Committee is a Committee appointed by the Council in accordance with Article 54 and is herein referred to as the Committee.
- (b) A member appointed to the Committee shall be a fully paid up Member entitled to vote who has been a Member for a minimum period of 3 years and shall sign a confidentiality agreement upon accepting the appointment to the Committee.
- (c) Members of the Committee will at the first meeting after the annual appointment under Article 54(ii) elect one of their number as Chairman to serve for one year. In the event that the Office of Chairman shall become vacant for any reason at any other time the Committee shall elect one of their number to act as Chairman until the next annual appointment.
- (d) The Chairman of the Committee may be removed from office and from the Committee by resolution of the Council duly passed by a two thirds majority of those present and voting.
- (e) Any other member of the Committee in respect of whom a vote of no confidence has been passed by the Committee by a two thirds majority of those present and voting may be removed from the Committee by a resolution of the Council duly passed by a two thirds majority of those present and voting.
- (f) In the event of a vacancy arising in the Committee howsoever caused, the Council will appoint another Member to serve for the remaining period that the replaced Member would have served and who shall be appointed on the same terms and conditions as the Member he replaces.
- (g) **The Committee will consider and adjudicate upon any of the following:-**
 - (i) Any dispute or other matter referred to it by the Council or Honorary National Secretary.

- (ii) Any complaint from a Member of behaviour or conduct of another Member significantly prejudicial to the interest of the Federation or otherwise bringing or likely to bring the Federation materially into disrepute provided that the Committee shall not consider or adjudicate on a complaint against any Director who is acting with authority in the course of his duties and powers as a Director or any dispute between the Complainant and another Member of the Federation which could become the subject of proceedings in a Court or Tribunal. In the event that the Committee are prevented from considering a complaint due to the above latter proviso they may if they consider it to be in the best interests of the Federation refer the complaint to the Honorary National Secretary who shall place the complaint before the Executive Board. The Executive Board may notwithstanding the above proviso request the Committee to consider and adjudicate on the complaint and the Executive Board may if it considers appropriate to do so in all the circumstances suspend the Member who is the subject of the complaint pending the outcome of the Committee's consideration.

- (h) **Procedure for submissions to the Committee:-**
 - (i) Any complaint or dispute or other matter (the "Issue") must be notified to the Legal Adviser of the Committee ("the Legal Adviser") on the prescribed form (available upon request from the Registered Office of the Federation) within sixty days of the date of the matter giving rise to such Issue provided that the Legal Adviser shall have discretion to extend this period in relation to Issues referred under Rule 6(g)(i) or in exceptional circumstances those referred under Rule 6(g)(ii).
 - (ii) In the event that the Application (defined below) contains allegations of conduct which may be significantly prejudicial to the interests of the Federation the Legal Adviser shall immediately refer the Application to the Honorary National Secretary who shall place the Application before the Executive Board as soon as reasonably possible to enable it to consider and determine:
 - (a) whether or not it would be appropriate to suspend the Member who is the subject of the complaint forthwith, pending and without prejudice to the outcome of the Application before the Committee, so as to safeguard the interests of the Federation (where the Legal Adviser considers that it may be appropriate for the Member to be suspended to protect the interests of the Federation); or
 - (b) whether or not the Application should be rejected under Rule 6(g)(ii) or held in abeyance pending the outcome of actual or potential proceedings in a Court or Tribunal.
 - (iii) Within seven days of receipt of the completed prescribed form ("the Application") the Legal Adviser shall send a copy to all members of the Committee and shall advise the Committee in writing whether or not:
 - (a) such Issue falls within the Committee's jurisdiction as set out in Rule 6(g); and
 - (b) the Application has been completed in sufficient detail to enable the Issue to be considered by the Committee.

- (iv) Within twenty one days of receipt of the copy Application and the Legal Adviser's written advice as set out in (iii) above the Committee through its Chairman shall inform the Legal Adviser whether or not it accepts such Issue for consideration provided that the Committee may accept such Issue conditional upon further information being provided within a period and on terms determined by the Committee at its discretion.
 - (v) Within seven days of receipt by the Legal Adviser of the Committee's decision as set out in (iv) above or within seven days of receipt by the Legal Adviser of the Executive Board's decision under (ii) above the Legal Adviser shall:
 - (a) notify the Complainant in writing that the Issue has been accepted or rejected and if accepted conditionally the nature of the conditions and a time limit to comply with the conditions; and
 - (b) in the event that the Issue has been accepted unconditionally provide any other party to the Issue with a copy of the Application; or
 - (vi) When the Issue has been accepted conditionally the Legal Adviser shall provide any other party with a copy of the Application within seven days of the Legal Adviser being notified by the Committee that the conditions have been satisfied provided that if the conditions are not satisfied within the time limit prescribed by the Committee the Legal Adviser shall notify the Complainant that the Application has been rejected.
 - (vii) The Respondent shall submit a reply to the Application to the Legal Adviser within fourteen days of receipt of a copy of the Application. If the Respondent fails to submit a response within the fourteen day period the Committee may at its discretion decide on the Application without the Respondent being present or represented.
- (i) **Proceedings of the Committee:-**
- (A) (i) The Complainant and any other party to an Issue (referred to as the Respondent) shall be requested to attend a pre hearing review as soon as possible after the Issue has been notified to the Respondent.
 - (ii) The purpose of the pre hearing review is to establish that all formalities have been complied with and to consider what steps the Complainant and Respondent should take in order to present their case to the Committee and to set a time table and to give such other directions as may be considered necessary for the efficient conduct of the matter to avoid unnecessary adjournments and to minimise costs.
 - (iii) The pre hearing review will be conducted by the Legal Adviser only and will not deal with the merits of the Issue.
 - (iv) The parties may jointly request the Legal Adviser at the pre hearing review to mediate between them on the Issue or alternatively shall be obliged to consider the appointment of an independent conciliator or mediator at their own joint expense.
 - (v) The Committee may of its own motion or on the recommendation of the Legal Adviser strike out an Issue at any stage of the process if it considers it just and reasonable to do so.

- (B)
 - (i) An Issue shall be adjudicated upon by three members of the Committee and the Legal Adviser shall be in attendance. No member shall be appointed to adjudicate on any Issue involving a Complainant or Respondent from their Region or on any Issue in which they have a personal interest. In the event that one member of the Committee is for any reason unable to continue with the adjudication then the remaining two members shall conclude the adjudication.
 - (ii) An accurate record shall be taken of all hearings which shall be held in camera. Any party to a hearing may within seven days of receiving notification of the Committee's decision request a copy of the records subject to paying the cost of its preparation.
 - (iii) The Complainant and the Respondent may be required by the Committee to attend the hearing and in any event either party shall be entitled to attend the hearing or to make written submissions. Any party to an Issue may also be legally represented and may call any witnesses notified to the Legal Adviser at the pre hearing review.
 - (iv) Any party to a hearing shall be given not less than fourteen days notice of a hearing date by Recorded Delivery post or facsimile.
 - (v) Any adjournments shall be at the discretion of the Chairman.
 - (vi) The decision of the Committee shall be notified in writing to all parties to an Issue and to the Honorary National Secretary who shall notify the Council. If appropriate the decision shall also state what sanction (if any) or order the Committee is to impose or make.
 - (vii) The decision of the Committee shall be final and binding on all parties to an Issue subject to rule 6(i)(D).
- (C) **Sanctions and powers available to the Committee:-**
 - (i) The Committee shall at its absolute discretion have power to suspend expel dismiss from office or discipline any party to an Issue or to make such other direction or order as it thinks fit.
 - (ii) The Committee may at its absolute discretion make an order for any party to pay the whole or part of any other party's costs or any costs incurred by the Committee in considering the complaint provided that subject to the right of appeal referred to in sub clause (D) below any member who fails to comply with the terms of the Committee's order shall be suspended as a member, such suspension to take effect from the day after the failure to comply occurs and to be effective until the day after the order is fully complied with and the Federation may at its absolute discretion seek to enforce or assist in the enforcement of such order by taking legal proceedings against the defaulting member.
 - (iii) The Committee may order payment of any party's costs and witness expenses or a contribution towards these costs or expenses from Federation funds.
- (D) **Appeal against the decision of the Committee:-**
 - (i) If a Complainant or Respondent ("the Appellant") wishes to appeal a decision of the Committee such appeal shall be given in writing to

- the Honorary National Secretary within twenty one days of notification to the Appellant of the decision of the Committee.
- (ii) The Honorary National Secretary shall only accept an appeal if it relates to a question of law as opposed to a question of fact.
 - (iii) In the event that the Honorary National Secretary is a party to an appeal then for the purposes of sub-paragraphs (i) and (ii) of this paragraph (D) the duties of the Honorary National Secretary shall be carried out by the solicitor who would advise the Federation on such matters from time to time.
 - (iv) Any appeal which is accepted shall be considered by three members of the Council, one of whom shall be an Honorary Officer (other than the Honorary National Secretary) ("the Appeal Committee") appointed by the Honorary National Secretary, none of whom shall be members of the Appellant's Region.
 - (v) The Appeal Committee shall consider the appeal in camera and may at its discretion consider the appeal on written submissions only.
 - (vi) The sanctions available to the Appeal Committee shall be the same as those available to the Committee detailed in Rule 6(i)(C) above.
- (E) The Committee and any Appeal Committee may, subject to obtaining the prior written approval of the Executive Board, employ the services of legal or other professional advisors to advise on a specific Issue and any costs incurred shall be paid by the Federation.
 - (F) Committee members shall be reimbursed all travelling and other expenses incurred in the performance of their duties as members of the Committee and the Legal Adviser shall be paid in addition to the expenses such fees as are agreed from time to time by the Council. The Appeal Committee shall be reimbursed all travelling and other expenses incurred in the performance of their duties.

7. STANDING COMMITTEES

- (a) (i) The Treasury Committee, chaired by the Honorary National Treasurer, which will exercise overall supervision and control of the finances of the Federation under the direction of the Council who will appoint such members of the Federation as it shall deem necessary for the efficient conduct of the financial function, subject to Rule 7 (e).
 - (ii) Any member of the Treasury Committee in respect of whom a vote of no confidence has been passed by the Treasury Committee by a two thirds majority of those present and voting may be removed from the Treasury Committee by resolution of the Council duly passed by a two thirds majority of those present and voting.
 - (iii) The Internal Audit Committee Chairman shall be a nonvoting ex officio member of the Treasury Committee.
- (b) The Policy Committee shall be responsible to the National Council for research, formulation and, where authorised, the execution of the agreed policy of the Federation. The Policy Committee Chairman shall be appointed by the National Council and he shall appoint members of his committee as he deems necessary

subject to the subsequent ratification of the National Council and subject to Rule 7 (e).

- (c) Except as may be otherwise determined in any special case by the Executive or the Council, any appointment to membership of a Standing Committee except Treasury Committee shall be made by the Chairman of that committee subject to subsequent ratification by the Council and subject to Rule 7 (e) and shall be for a period not exceeding one year but any member so appointed shall be eligible for re-appointment for further periods not exceeding one year each.
- (d) Subject to any directions which may from time to time be given by the Council or the Executive, a Standing Committee may make such regulations or issue such Standard Procedures as it thinks fit for the conduct of its affairs and may from time to time rescind, alter, or add to any regulations or Standard Procedures so laid down.
- (e) That each Standing Committee shall have not less than four members including the Chairman.
- (f) A Standing Committee shall have power to act notwithstanding any vacancies in its body. A Standing Committee may also delegate all, or any, of the power delegated to it, to one or more Sub-committees within its jurisdiction.
- (g) The Council shall form such other Standing Committees as they consider necessary and any such Standing Committee shall consist of a Chairman elected by the Council, and such members of the Federation as the Executive and Chairman of such Standing Committee shall agree are necessary, subject to Rule 7 (e).
- (h) Except as otherwise provided in this Rule 7 the Chairman of a Standing Committee shall be appointed annually and to be eligible for appointment shall have been a fully paid up Member entitled to vote for a minimum continuous period of two years and have been a member of Council or have served on a Standing Committee for one full term.
- (i) Any Standing Committee Chairman except the Honorary National Treasurer who is the subject of a vote of no confidence carried by a two thirds majority at a Council meeting shall vacate the office immediately after the vote has been carried. The Council shall appoint an eligible member to fill the vacancy to serve until the next annual election.

8. REGIONAL ORGANISATION

(a) Branches

(1) Constitution of Branches

- (i) The Branches presently recognised by the Federation are listed at the Registered Office of the Federation.
- (ii) Where one hundred and fifty or more members reside in the area of any District or Borough Council where no separate Branch presently exists, they shall (upon satisfactory proof being given to the Regional Committee or where no such Regional Committee exists to the Honorary National Secretary) have the right to form a Branch, which shall bear the name of such District or Borough Council and shall thereupon be recognised as a Branch by the Regional Committee and/or the Honorary National Secretary.

- (2) **The Discretion of the Regional Committee** – The Regional Committee may
- (i) Permit or cause more than one Branch to be created in any District or Borough Council area, provided that there shall be at least one hundred and fifty members in each such Branch.
 - (ii) Permit or cause a Branch to be established and/or continued covering more than one District or Borough Council area, subject to the rights of members set out in (1)(ii) above.
 - (iii) Permit or cause a Branch to be established with less than one hundred and fifty members in any District or Borough Council area or combination of areas, where a Branch does not already exist.
 - (iv) Close and cause to be amalgamated with another Branch a Branch which has less than one hundred and fifty members however originally constituted.
 - (v) Remove from office any Branch officer in respect of whom a vote of no confidence has been passed by his Branch Committee by a two thirds majority of those present and voting by a resolution of the Regional Committee duly passed by a two thirds majority of those present and voting.
 - (vi) Remove as a member of the Regional Committee any Branch delegate by a resolution of the Regional Committee duly passed by a two thirds majority of those present and voting. A member removed in this manner will have the right of appeal to the Executive whose decision will be final. A member who has been removed under this provision shall not be eligible for election as a Branch delegate unless his nomination is approved by a resolution of the Regional Committee duly passed by a two thirds majority of those present and voting.
- (3) **Discretion of the Council** – Whether upon their own motion or upon the Regional Committee declining to exercise its discretion then upon the written application of at least ten members, the Council may exercise any of the discretions set out in (2)(i) to (v) above, provided that the exercise of this discretion shall require a two thirds majority of those attending and eligible to vote.

(b) **Regions**

- (1) The Regions presently recognised by the Federation are listed at the Registered Office of the Federation.
- (2) Regions will be properly constituted on meeting the requirements laid down in the Articles and Rules and must have:-
 - (i) A membership of two thousand five hundred fully subscribed members; and either
 - (ii) At least five Branches of not less than one hundred and fifty members, or
 - (iii) A minimum of ten Committee members (including Officers) elected in accordance with Article 13.
- (3) The Council has discretion to allow the constitution of a Region which does not conform with the requirements of (2) above.

(4) The Council has a discretion to close or cause to be amalgamated with another Region a Region which does not conform to the requirements of (2) above however originally constituted.

(5) Forming a New Region:-

- (i) At least five separate Branch Committees shall decide individually and collectively by simple majority to form a new Region and propose the names of those willing to stand for Regional Office.
- (ii) Regions resulting from (i) must have a minimum of two thousand five hundred members and five contiguous Branches.
- (iii) Upon the agreement of five or more such Committees, notice shall be given to the Regional Secretary requiring a General Meeting of the members of those Branches to be called within forty two days of the date of the Notice. Notice of such meeting shall be sent to all Branch Secretaries within the existing Region and Regional Officers and Regional Committee Members. Any Regional Officers and Regional Committee Members shall have the right to attend and speak at the Meeting but only members of the five or more Branches wishing to form a New Region shall have the right to vote.
- (iv) For a meeting called in accordance with sub-clause (iii) to be quorate, there must be at least ten members from each of the Branches wishing to form the new Region present and entitled to vote.
- (v) For the formation of a new Region to proceed, a 66 $\frac{2}{3}$ % vote in favour of the resolution must be carried at the General Meeting and a Steering Committee must then be formed. The Steering Committee shall be constituted in accordance with the requirements of National Council from time to time.
- (vi) The proposed new Region shall then follow the procedures for setting up a new Region as set out in the constitution of the Federation and in accordance with the requirements of National Council from time to time laid down.
- (vii) Provided that all procedures have been followed to the satisfaction of the Honorary National Secretary the new Region will come into existence on the 1st October following the passing of a resolution referred to in sub-clause (iii) above provided that if all procedures have not been followed the Honorary National Secretary may refer the matter to the Council who shall have the discretion to allow the formation of the new Region notwithstanding the failure to comply strictly with sub-clauses (i) to (vi) above.
- (viii) The Steering Committee will conduct the affairs in the new Region until its first General Meeting which shall be held before 31st December in the same year. The new Region shall not be represented at National Council until a National Councillor has been appointed at such General Meeting.

(c) Regional Committee composition:-

- (1) Each Region shall have a Regional Committee consisting of the Officers of the Region as laid down in Article 13 the National Councillor and Deputy National Councillor and the elected representatives from either:-
 - (i) Each Branch; or

- (ii) Each District or Borough Council or Metropolitan Borough Council area (or such other body as shall be substituted therefore (or in the case of Scotland, such equivalent body)) where at least one hundred and fifty members reside but where no properly constituted Branch exists.
The number of Representatives from each Branch or Area as defined in (ii) above shall be decided by the Regional Committee and shall be the same number for each such Branch or Area provided that the number of members of the Committee including Officers shall not be less than ten.
- (2) Where there are no elected Representatives from such an Area as is referred to in sub-clause (ii) above then the Regional Committee shall appoint a member or members from such Area (equivalent to the number of representatives from each other such Area of the Region) to serve as a member of the Regional Committee until the next Annual General Meeting of the Region when such appointees or other nominees from their Area shall stand for election.
- (d) The Executive will by Standard Procedure and Model Rules lay down the requirements for the orderly conduct, management and administration of the affairs of the Region and Branch.
- (e) The Executive shall have the power from time to time to prescribe new procedures for incorporation in Regional Rules for regulating the functions, membership, general conduct, and organisation of Regional Committees, and Branch Committees and to rescind, alter or add to any procedures existing or prescribed.
- (f) (i) Notwithstanding any procedures that the Executive may require to be incorporated in a Region's Rules, a Region may include such Rules as it may deem necessary and which apply to that Region, provided always that no Rules so included conflict with the Constitution.
(ii) A copy of the Rules of each Region shall be lodged with the Honorary National Secretary for registration and scrutiny.
- (g) The Executive shall also have the power to set up an enquiry into the operation of a Region and to report thereon to the Council with a view to ensuring that the Region works smoothly and that any problems arising in any Region are effectively dealt with.
- (h) (a) If, in the event of an enquiry into the conduct and administration of a Region or Branch, the Executive are of the opinion that malpractices have been established or that the manner in which the affairs of the Region or Branch are being conducted is harmful to the interests of the Federation, the Executive may suspend any or all of the Region or Branch committee and any or all of the Region or Branch office holders for a period of up to 3 months pending consideration of the issues by Council who may take such steps as they consider necessary to resolve the issue and to protect the interests of the Federation including continuing the suspension of any or all of the Region or Branch Committee and any or all of the Region or Branch office holders and Council shall direct the Honorary National Secretary to refer any issues which are not capable of resolution by Council to the Disputes and Disciplinary Committee unless such referral is likely to create a breach of any obligations that the Federation has to any Third Party.

- (b) The Council may remove from office any National Councillor, Deputy National Councillor or Regional Officer in respect of whom a vote of no confidence has been passed by his Regional Committee by a two thirds majority of those present and voting by a resolution of the Council duly passed by a two thirds majority of those present and voting.
- (i) No person may hold office on or vote on a Committee:-
 - (i) in any Region unless he is a member of that Region;
 - (ii) in any Branch unless he is a member of that Branch.
- (j) Each Region and Branch shall hold an Annual Meeting between 1st October and 31st December, at which:-
 - 1. In the case of Regions:-
 - (i) Regional Accounts for the year ended 30th September shall be presented.
 - (ii) Delegates to the National Council shall be elected.
 - (iii) Regional Officers shall be elected.
 - 2. In the case of Branches:-
 - (i) Branch Accounts for the year ended 30th September shall be presented.
 - (ii) Branch Officers shall be elected.
- (k) Each Region and Branch shall notify Head Office immediately following their Annual General Meeting of their elected officers on the required AGM Notification Form.

9. FUNDS OF THE FEDERATION

- (a) **Control** – The overall control of the funds of the Federation will be exercised by the Council which will delegate such powers as it shall deem fit to the Honorary National Treasurer to administer funds that the Council will make available to the Executive and Honorary National Treasurer for the purpose of maintaining the services essential for conducting the affairs of the Federation.
- (b) **Annual Budget** – The Honorary National Treasurer will present to the National Council for approval an annual budget of Income and Expenditure to accord with the Federation's financial year.
- (c) **Funding of Regions** – The basis of the funding of Regions will be determined by the Council.
- (d) **Committing the Federation Funds** –
 - (i) No member may enter into any contractual arrangement or in any way commit the funds of the Federation without prior written approval of the Executive.
 - (ii) No Region may in any financial year enter into any contractual arrangement or otherwise commit the Federation beyond its authorised annual budget without the prior written approval of the Treasury Committee.
 - (iii) No branch may enter into any contractual arrangement or otherwise commit Regional funds beyond those allocated to it without prior written approval of the Regional Committee.
- (e) **Region and Branch Account** – All payments from Region and Branch funds must be authorised by the respective Region or Branch Committee.
- (f) **Surplus Federation Funds** – Surplus Federation funds will be dealt with by the Treasury Committee in accordance with the directions of the Council.

10. THE ANNUAL BRANCH CONFERENCE

- (a) The Federation shall hold an Annual Branch Conference once in every calendar year and in any event at intervals of not more than fifteen months, with the object of enabling members to discuss, debate, and propose future policies of the Federation, and to discuss and debate progress of the Federation over the past twelve months.
- (b) The Conference shall be called by the Executive on a date to be decided by them by giving not less than forty-two days written notice to members.
- (c) Each Branch shall have the right to elect from its members one person to act as the Official Delegate of that Branch. Other members may attend at the discretion of the Council.
- (d) The Executive Board shall convene a Conference Committee annually to be chaired by the Honorary National Secretary for the purpose of supervising the organisation of the Conference.
- (e) The Agenda for the Conference shall be drawn up by the Conference Committee under the National Council directive.
- (f) The procedure laid down for conducting a General Meeting of the Federation in Article 67 shall mutatis mutandis apply for conduct of the Conference.
- (g) Save as herein otherwise provided fifty members personally present shall be a quorum.
- (h) Only Official Branch Delegates shall be entitled to vote on any matter or resolution raised at the Conference. Delegates shall have one vote for every member of the Federation registered as members of the Branch represented by the Delegate.

11. SUBSIDIARY COMPANIES

- (a) The Directors of a wholly owned subsidiary company may exercise all powers delegated to them by the Council. Their exercise shall be kept under review by the Council which shall delegate such powers to the Executive as it shall deem necessary for the review of the management and administration of the affairs of such wholly owned subsidiary by its directors.
- (b) The Chairman and Directors of a subsidiary company shall be appointed by Council and following appointment the Chairman will become a member of the Executive.

12. QUORUMS

Excepting for those meetings for which quorums are laid down in the Articles and Rules the quorums for any meetings of the Federation, Regions or Branches will be subject to the approval of the Council.