



BUILDERS MERCHANTS FEDERATION LIMITED

CONSTITUTION & RULES

1. NAME

The name of the Society shall be the “**BUILDERS MERCHANTS FEDERATION LIMITED**” in this “**Constitution**” comprising these “**Rules**” referred to both as the “**Society**” and the “**BMF**”.

2. REGISTERED OFFICE & STATUS

- 2.1 The registered office of the Society is:-
Builders Merchants Federation Limited
1180 Elliott Court
Coventry Business Park
Herald Avenue
Coventry
CV5 6UB

or such other address in England as the Society may from time to time decide and notify to the Financial Conduct Authority (the “**FCA**”).

- 2.2 The registered number of the Society is 31516R.

- 2.3 A reference to a statute, statutory provision or subordinate legislation is a reference to it as amended, extended, or re-enacted from time to time.

- 2.4 The members of the Society (the “**Members**”) previously determined that the Society should be a co-operative established and undertaken for Members’ mutual benefit established as an Industrial and Provident Society registered with the FSA under the Industrial and Provident Societies Act 1965 (the “**IPS Act**”) having corporate status with limited Members’ liability and certified as an employers’ association under the Trade Union and Labour Relations (Consolidation) Act 1992. Following the repeal of the IPS Act, the Society has continued to operate as a registered society under the Co-operative and Community Benefit Societies Act 2014 (the “**Act**”).

- 2.5 This Constitution, the Rules of the Society (each of which shall be referred to as a numbered “**Rule**”) include all matters listed in section 14 of the Act. Each Member agrees to accept and be bound by these Rules as a condition of their Membership.

- 2.6 The business and undertaking of the Society shall be under the general control and management of the Society’s management committee (the “**Board**”) which is subject to the Members entitled to vote which shall each have one vote at meetings of the Society.

- 2.7 Members of the Society entitled to vote at an annual general meeting (“**AGM**”) or a general meeting (“**GM**”) are taken in to Membership and cease to be Members in accordance with Rule 6.

- 2.8 The Board may under Rule 7 establish and modify “**Standing Orders**” which amongst other things may make provision for individuals, firms and corporate businesses wishing to have involvement in the affairs of the Society who are not entitled to Membership under Rule 6 to take up one of several classes of “**Associate**”, Associates having such rights and obligations

as Members have under the Rules as specified in the Standing Orders not including any right to vote at any AGM or GM.

3. OBJECTS

The objects of the Society (the “**Objects**”) are:-

For and on behalf of the Members of the BMF to encourage, promote and protect the trade and industry of builders merchants, builders material merchants, plumbers merchants, decorators merchants, builders ironmongers and other merchants and distributors allied to the building trades (collectively “**the building trades**”) and generally to watch over and protect the interests of Members in respect of governmental and regulatory bodies, manufacturers, factors, wholesalers, retailers and users of materials and commodities with which the building trades are concerned and all others having commercial relationships with the building trades whether in the United Kingdom, the Isle of Man and the Channel Islands or abroad.

4. POWERS

4.1 Subject to Rule 5 and these Rules generally the Society shall have the following powers (“**Powers**”) which the Society may use to further and promote the Objects:

4.1.1 To promote co-operation with other associations of employers and of workers in the building trades for the purpose of enhancing the profitability of, effectiveness of and standards of service which Members may give;

4.1.2 To promote, enter into, support or undertake agreements between the building trades or any of them or sections or parts of any of the building trades or any other association within or having commercial relationship with the building trades or any of them and to co-operate, assist and act in conjunction with or subscribe to any association, federation, institution or other organisations upon such terms and conditions as may from time to time be agreed upon by the BMF;

4.1.3 To afford to Members information about the business status of persons, firms or companies with whom they may be trading or with whom they may wish to trade or who may be seeking credit and to establish or encourage or concur in or engage with the conduct of the establishment or maintenance of credit control schemes and schemes for the provision and interchange of credit information;

4.1.4 To collect, collate and circulate to Members from time to time information of interest or benefit to Members.

4.1.5 To provide, sell or otherwise make disposition of information and statistics;

4.1.6 To have, maintain and supervise a statement of best practice (a “**Code of Practice**” or “**Charter**”) with which Members shall comply as a condition of Membership;

4.1.7 To receive complaints about Members concerning any of the activities or business dealings of Members or of others in or associated with the building trades and to endeavour to effect compliance with the Code of Practice and the Charter and settlement of any difference or dispute and to name and if necessary employ persons to act as mediators, arbitrators or umpires to advise upon or determine any question, dispute or difference arising between Members or between Members and others and to adopt and to promote rules and regulations and procedure for the conduct of any such effecting of compliance, settlement, mediation or arbitration;

4.1.8 To establish and maintain a panel of mediators, arbitrators and umpires to deal with disputes and differences between Members and others whether Members or not;

4.1.9 To regulate or to co-operate in the regulation of relations between employers and employees in the building trades and to promote methods of procedure in relation to negotiation and

conclusion of agreements relating to standards of service, hours, wages and other conditions of employment and to assist in adjusting any relevant differences or disputes;

- 4.1.10 To support and assist the regulation of relations between employers and between employers and employees, to arrange conditions as to the conduct of the building trades and to provide benefits for Members and their employees;
- 4.1.11 To issue and publish a trade journal and/or to establish, acquire an interest in or obtain control of, finance, issue, or publish any journal, publication, catalogue, booklet or pamphlet to do with or of interest to the building trades;
- 4.1.12 To advertise and otherwise undertake promotions in any newspapers, periodicals, journals or other media and to hold, organise, arrange or to take part in exhibitions or trade displays in any mediums that are considered to be of benefit to the building trades;
- 4.1.13 To foster, enable, hold or participate in meetings, lectures, seminars or and to employ lecturers and others on matters of interest to the building trades for the benefit of Members;
- 4.1.14 To promote and further the education and training of Members, their assistants and employees and other persons in or connected with the building trades, in matters affecting the building trades and their conduct including by providing or providing for:-
 - courses of instruction whether residential or otherwise,
 - apprenticeships and other vocational learning opportunities,
 - the employment, engagement or approval of instructors, lecturers, courses of study or qualifications,
 - examinations, assessments and statements of achievement and the granting of degrees, diplomas and other awards and statements of academic or practical attainment;
- 4.1.15 To co-operate or contract with any other society, association, firm, incorporated business or other body having objects similar to the Objects and to procure from or to communicate to them any information of building trades interest or which may be conducive to any of the Objects;
- 4.1.16 To accept as and terminate as a Member or Associate individuals, firms, associations and corporate businesses in accordance with the Rules and Standing Orders and seek and achieve the affiliation of, or to affiliate with, any other association or body of employers or of workers in the building trades.
- 4.1.17 To support any Member who may be engaged in upholding or enforcing any principle regarded by the BMF as being for the benefit of Members or any section of them;
- 4.1.18 To promote or oppose any bill or legislative or other measure and any application of same calculated or appearing to affect directly or indirectly the interests of Members or any section of them;
- 4.1.19 To employ and engage staff, agents, contractors, advisors and consultants necessary to the business and undertaking of the Society and to provide by insurance or otherwise or to participate in any scheme for pensions or other benefits for employees or officers of the BMF or their dependants and for the widows and dependants of deceased employees or officers of the BMF or of any association amalgamated with or affiliated to the BMF;
- 4.1.20 To make gifts or donations to any charitable object or fund and to campaigns and activities of benefit to Members or the building trades.
- 4.1.21 To establish, own, promote and maintain or concur in promoting and maintaining for the benefit of Members any company or other incorporated entity, association or trust or promote, support and foster any merchant banking fund or corporation for the financing of hire purchase or deferred payment transactions;

- 4.1.22 To indemnify and insure any officer, auditor, member, employee, servant, agent or trustee of the BMF or any other person, firm or company from and against all actions, damages, proceedings, costs or expenses of whatsoever nature or kind arising from any act or omission connected with the conduct of the business of the BMF or its property;
- 4.1.23 To take over or amalgamate with any other society, association or other body having objects similar in part or in whole to the Objects and to enter into any agreement with any such association or body which may be considered conducive to the interests of Members;
- 4.1.24 To promote co-operation between the BMF and any other society, association or other body having objects similar in part or in whole to the Objects including by forming special commodity sections interested in the distribution of a particular kind of commodity and which shall comprise Members, members of other associations or bodies and individuals, firms or companies not in membership of any trade association on such terms and with such terms of reference as the BMF shall determine;
- 4.1.25 To issue, publish or offer information technology services, computer software and computer services and/or to acquire an interest in or obtain control of and issue, publish or offer any existing computer software and computer services connected with or of interest to the building trades and to finance any such computer software or computer services.
- 4.1.26 To guarantee and/or grant an indemnity in respect of the payment of any sum of money or the performance of any obligation by any person, firm or company, in any manner and upon any terms, notwithstanding the fact that the BMF may not receive any consideration or advantage direct or indirect from entering into any such guarantee or other arrangement and to secure the repayment of any such sum of money or the performance of any such obligation by mortgage, charge, standard security, lien or other security upon the whole or any part of the property or assets of the BMF whether present or future;
- 4.1.27 To borrow and raise money in any manner to be used in the business and undertaking of the BMF and to secure the repayment of any money borrowed, raised or owing by mortgage, charge, standard security lien or other security upon the whole or any part of the property or assets of the BMF whether present or future;
- 4.1.28 To acquire, own, use, manage, repair, maintain improve, let, sell or otherwise make dispositions of any asset or property whatsoever whether real or intangible and including without limitation real estate;
- 4.1.29 To hold and operate bank accounts, deploy and apply all the profits and assets of the Society to further its Objects and (having taken appropriate advice) insure risks and acquire, hold, manage and deal in investments necessary to the Society having sufficient working capital, be otherwise able conveniently to undertake its business and undertaking as a solvent going concern and be able adequately to manage its risks;
- 4.1.30 To do all such other things as may be lawful and expedient or proper in the interests of the Society and the Members;

5. RESTRICTIONS ON THE POWERS

- 5.1 The Society shall not contract loans or receive money on deposit as a bank or otherwise whether from Members or others whether subject to the provisions of the Act or otherwise.
- 5.2 The Society shall not distribute its income or assets to its Members or Associates and shall use its income and assets to further its Objects.

6. THE MEMBERSHIP

- 6.1 Applications for Membership or for becoming an Associate and questions regarding or issues concerning Membership or being an Associate shall be dealt with in the first instance by a membership panel appointed by the Board (the "**Membership Panel**") comprising salaried

employees of the BMF and chaired by the Chief Executive. The acceptance or rejection of an application for and termination of being a Member or Associate shall be decided by a Membership Panel which shall subject to this Rule 6 and the Rules generally have absolute discretion in such matters.

- 6.2 Subject to this Rule 6 and these Rules Membership of the BMF is open to and may be retained by any individual, firm or incorporated business in Great Britain, Northern Ireland, The Republic of Ireland, the Isle of Man and the Channel Islands carrying on a business of builders merchants, plumbers merchants, heating merchants, decorators merchants, builders ironmongers and other merchants allied to the building trades (“**Suppliers**” and Members who are Suppliers shall be “**Supplier Members**”) which are merchants to the building industry or any part of it as described in the Objects who sell predominantly to the building trades and have facilities for and carry adequate stocks appropriate to the needs of the customers they seek to service and which applies for and does not resign from or otherwise lose their Membership and: either
- 6.2.1 Has a minimum annual turnover of not less than £250,000 of which a substantial proportion derives from ex-stock sales, has been trading for at least two (2) years and when applying for or whilst in Membership and on demand supplies audited accounts to the Chief Executive; or
- 6.2.2 If the individual, firm or corporate business applying for Membership has been trading for less than two years that applicant makes a declaration in writing in a form and with a content specified by the Board that their expected turnover in their first year of trading will be £250,000 or higher, sends audited accounts of their first year’s trading to the Chief Executive as soon as available, provides the BMF with a bank reference and statement of start-up funds together with either an un-audited year 1 financial statement, projected balance sheet, profit and loss sheet, business plan and cash-flow projection, or a statement of finances from their auditors/accountants with such form and content as the Board may specify

PROVIDED THAT a prospective or actual Member in the BMF Membership Panel’s reasonable opinion (having sought from and been given by the prospective Member such documents and information as the BMF Membership Panel may require);

- operates from proper premises with sound stock levels, yard layout and appropriately capable staff,
 - grants credit facilities and has a reasonable number of credit accounts,
 - offers a delivery service,
 - has no inter-trading connection with any builder, plumber or heating engineer that exceeds 25% of the applicant’s total turnover (save that persons who have involvement with bathroom and kitchen installation may apply for and retain Membership without reference to this requirement), and
 - agrees to comply and complies with these Rules and the Standing Orders made under these Rules.
- 6.3 Where the business comprising a builders merchants serving one or more of the building trades is conducted by a trading company which is a member of a group of companies (defined as determined by the Board in each case): and
- 6.3.1 That trading company is eligible for and may retain Membership based on its meeting the conditions set out in Rule 6.2; then
- 6.3.2 The holding company of the group of which the trading company is a member may also apply for and be granted Membership additionally and separately;

PROVIDED THAT in either and both cases the Board is satisfied on the recommendation of the Membership Panel but in its absolute discretion that any other business interests of the trading

company or of the holding company or of any other member of the group of which both are members are not operated and will not be operated and are not owned in such manner as to conflict with the Rules of or be prejudicial to the BMF, its Members or the building trades or any of them.

- 6.4 Membership of the BMF shall be open to individuals, firms or incorporated businesses which in addition to meeting the requirements of Rule 6.2 (as modified by Rule 6.3) carry out fixing work for the building or plumbing trade where in the opinion of the Board on the recommendation of the Membership Panel but in its absolute discretion such work is an established custom or a recognised activity of builders merchants in the relevant locality or localities subject in any case to such fixing being intended to be helpful to and enhancing rather than competing with or detrimental to those undertaking business in the building trades.
- 6.5 Individuals, firms or corporate businesses not otherwise qualified for Membership may be admitted as a Member or Associate upon and subject to such terms and conditions as the Board may from time to time determine in the best interests of the BMF and its Members including without limitation as set out in Standing Orders.
- 6.6 The members of any independent or allied association wishing to amalgamate with the BMF whose, or the majority of whose, members desire to become Members may be accepted as Members (but may only remain Members if they meet the requirements of Rule 6.1 to 6.5 inclusive) without the necessity of each such prospective Member making formal application as provided by this Rule 6 provided the Board shall have agreed acting in their absolute discretion to accept such individuals, firms and corporate businesses as Members and each agrees to comply and complies with these Rules.
- 6.7 Any individual, firm or corporate business wishing to become a Member or Associate of the BMF:
- 6.7.1 shall complete an application that shall be and shall be considered in accordance with Rules 6.1 to 6.6 inclusive and dealt with in accordance with the Standing Orders; and
- 6.7.2 An applicant whose application is deemed successful in accordance with this Rule 6 shall be a Member or Associate of the BMF and shall be allocated a Category and Region and special interest groups and other groupings as determined under Rule 6.13.2 on and from the date of their acceptance by the Membership Panel; but
- 6.7.3 Applicants for Membership whose applications are rejected by the Membership Panel shall be given written notice of their rejection and of the reasons for their rejection and may appeal against their rejection to a "**Membership Appeals Committee**" comprising three (3) members of the Board appointed by and not including the Chair of the Board and not including the Chief Executive; and
- 6.7.4 Any person dissatisfied with the decision of the Membership Appeals Committee may require the Board (excluding the members of the Board that are members of either the Membership Panel or the Membership Appeals Committee) to consider and respond in writing to a written statement concerning their dissatisfaction. The Board shall call for a statement from the Membership Appeals Committee, shall send to each the statement of the other and invite further comment, consider the statements and comments and may either uphold or may overturn any decision of the Membership Appeals Committee if the decision is in the opinion of the Board not one which a reasonable person could make bearing in mind the facts of the matter and giving each it's due weight in either case giving reasons for their decision in writing.
- 6.8 Where a change of name or of control of the business of a Member occurs, that Member or the persons for the time being controlling the business of that Member shall re-apply for Membership and complete a form of application for Membership in accordance with these Rules unless at the discretion of the Membership Panel a simplified form of application shall be required.

- 6.9 The names of any applicants taken into Membership of the BMF shall be reported to the Board at its next meeting following their acceptances into Membership.
- 6.10 The Membership Panel shall at any time terminate the membership of any Member that has in the reasonable opinion of the Membership Panel:
- 6.10.1 Died, become bankrupt, gone into liquidation whether voluntary or compulsory (otherwise than for the purpose of reconstruction or amalgamation), made or has or is seeking to make an arrangement with creditors or becomes insolvent;
- 6.10.2 Has ceased to carry on business or be owned in a manner that would entitle a prospective Member to become a Member under this Rule 6;
- 6.10.3 Has committed a material breach of the Rules or Standing Orders;
- 6.10.4 Has undertaken conduct harmful to or against the interests of the BMF, the Members, the building trades or any of them;
- 6.10.5 Has confirmed their resignation from Membership in writing to the BMF at its registered office; and
- 6.10.6 Except in respect of any resignation from Membership or the death of a Member, the Membership Panel shall give a Member at least twenty-one (21) days notice of the intention to terminate Membership and of the reasons for proposing so to do. The Member may appeal the decision of the Membership Panel in accordance with Rule 6.7 within the notice period. Any termination of membership shall be without prejudice to the right of the BMF to recover any subscriptions or other sums due from the Member at the date of the termination of Membership.
- 6.11 If any member of the Board or any BMF Committee is or is a representative of a Member which has become bankrupt, gone into liquidation whether voluntary or compulsory (otherwise than for the purpose of reconstruction or amalgamation) or become insolvent or made an agreement with its creditors or has ceased to be a Member that member of the Board or BMF Committee shall be excluded from same and such excluded persons may only be readmitted after special consideration by the Membership Appeals Committee.
- 6.12 Any Member wishing to withdraw from Membership of the BMF shall give notice in writing of such intention at least three months before the 31st day of March in any year. Unless notice is given as above the Member shall continue their Membership for the ensuing year and shall be liable for the full amount of their subscriptions for that year or that proportion of the full subscription owing that the Board may at its discretion set from time to time.
- 6.13 Every Member of the BMF shall:
- 6.13.1 If not an individual be represented by an individual who is either a partner or salaried employee of the Member and each such person shall be entitled to exercise all the rights of the Member they represent; and
- 6.13.2 Confirm in writing on appointment as a Member and subsequently as necessary to the Chief Executive the Categories of Membership and Region that best applies to the Member chosen from amongst those Categories and Regions as defined in Standing Orders subject to review by the Membership Panel whose decision shall be final subject to manifest error.
- 6.14 It is a condition of Membership of the BMF that every Member shall comply with the Rules and Standing Orders for the time being in force.

Honorary Members

- 6.15 Provision may be made in the Standing Orders for:

- 6.15.1 The appointment by the Board of an individual person as an “**Honorary Officer**” of the BMF who will have ambassadorial responsibilities but no executive powers;
- 6.15.2 The election by the Board or the Society of individuals as “**Honorary Life Members**” of the BMF.

Shares in the Society and Members’ Liabilities

- 6.16 Each Member:
 - 6.16.1 On admission to Membership has issued to them at the direction of the Board a copy of the Rules, a copy of the Standing Orders and a single £1 share registered to the Member which is the maximum amount of interest in the shares of the Society that any Member may have. Neither any Membership nor any Member’s share is transferable and if any Membership ceases for any reason the Member’s share shall be cancelled forthwith;
 - 6.16.2 Agrees to contribute a sum not exceeding £1 to the Society should the Society become unable to meet its debts as they fall due or otherwise become unable to continue as a going concern and each Member’s liability in respect of the Society shall be limited to £1 accordingly;
 - 6.16.3 Shall immediately withdraw from and cease to be a Member of the Society and their share shall be deemed cancelled forthwith if the Member shall withdraw from Membership, is unsuccessful in their re-application for Membership or is otherwise subject to termination of their Membership for any reason.
 - 6.16.4 No Member or Associate that withdraws or is subject to termination of their being a Member or Associate for any reason shall be entitled to make any claim against the funds of the Society on account of their withdrawal or termination.

7 THE BOARD

Board Responsibilities

- 7.1 The Board have the general control and management of the policy, affairs, business and undertaking of the Society and each member of the Board shall within the Powers and in furtherance of the Objects act in the way they consider in good faith will be most likely to promote the success of the Society for the benefit of its Members as a whole and in particular and without limitation using their personal knowledge and experience, professional skills and qualifications and giving due consideration to professional advice prudently taken by the Society and the Board shall:
 - 7.1.1 Have responsibility for the application, disposal and investment of the Society’s funds and other assets, the appointment and discharge of its solicitors and other professional advisors and senior salaried employees in accordance with these Rules, the negotiation of trade agreements and the investigation of complaints;
 - 7.1.2 Be responsible for the borrowings mortgaging and charging of the assets of the Society for authorising indemnities and insurances for and in respect of any member of the Board, BMF employee, auditor or other person acting on behalf of the Society;
 - 7.1.3 Have full power to appoint sub committees and ad hoc committees of the Board to undertake designated tasks on behalf of the Board and to delegate to them such powers as may be thought fit;
 - 7.1.4 Appoint a chair (the “**National Chairman**” or “**Chairman**”) to lead the Board. The appointment of the National Chairman shall be for such period and upon such terms including remuneration and other benefits as may be decided by the Board which, subject to any terms so agreed, shall have power to remove the National Chairman from such appointment and to appoint another in their stead;

- 7.1.5 Appoint a **Chief Executive** for such period and upon such terms including remuneration and other benefits as may be decided by the Board and who shall be responsible to the Board for the day to day business and undertaking of the BMF;
- 7.1.6 Arrange for the appointments of an Honorary Treasurer and other Board members in accordance with this Rule 7 who shall each be entitled to their reasonable and duly vouched expenses incurred in the performance of their duties for and on behalf of the Society;
- 7.1.7 Divide the BMF and its Members into regions ("**Regions**"), categories ("**Categories**") both as defined by Standing Orders or into other groups and divisions for the purpose of organisation, co-ordination and administration and from time to time to alter the same and to appoint such committees as it may deem necessary for the efficient and convenient working of the BMF. It may delegate to such Regions, groups or divisions and to such committees such powers as the Board may consider desirable;
- 7.1.8 Shall subject to Rule 17 have power to make, vary and repeal Standing Orders which regulate the financial, operational, representational and Member relations aspects of the affairs of the Society as the Board may consider necessary or convenient from time to time for the discharge of its duties and the furtherance of the Objects within the Rules.

Board Membership

- 7.2 Subject to these Rules the Board shall comprise the following individuals;
- a National Chairman appointed by the Board,
 - a Chief Executive appointed by the Board,
 - an Honorary Treasurer elected by the Members,
 - a Member of the Board elected by the Supplier Members (the "**Supplier Director**"),
 - four Members of the Board elected by the Members (the "**Member Directors**", which, together with the Honorary Treasurer and Supplier Director shall be the "**Elected Directors**"),
 - up to two members of the Board co-opted by the Board,

PROVIDED THAT the Board shall include not more than one individual who is or who is associated with any one Member and its group (if any) at any one time.

Elected members of the Board and Honorary Treasurer

- 7.3 The procedure for the nomination and election of the Elected Directors shall be as follows:

Nomination

- 7.3.1 Preceding the AGM of the Society in any year:
- 7.3.1.1 Members of the BMF registered in each of the Categories of Membership who have paid their BMF subscriptions in full for that year shall be invited by the Board to make nominations for the appropriate number of Member Director vacancies and if appropriate for the office of Honorary Treasurer; and
- 7.3.1.2 Supplier Members of the BMF who have paid their BMF subscriptions in full for that year shall be invited by the Board to make nominations for the position of Supplier Director.

Nominations shall be received by the National Chairman at the Society's registered office within twenty eight (28) days of dispatch of the invitation to make nominations. A second and similar nomination process may be held before a proposed general meeting of the Society ("**GM**") and no later than seven months after the first nomination process if a replacement Elected Director(s) is required;

- 7.3.2 Unless a formal consent of the nominee has already been announced, a statement of consent from the nominee must accompany their nomination;
- 7.3.3 Each Member entitled to make nominations may nominate any number of nominees not exceeding the maximum number of electable vacancies on the Board.

Elections

- 7.3.4 There shall be an election college (the “**Election College**”) comprised of those elected to represent each Member in each relevant Category of Membership and each Region in accordance with Standing Orders and, subject to rule 7.3.5, on the basis that every Member shall have a right to vote.
- 7.3.5 Notwithstanding the generality of Rule 7.3.4, only Supplier Members shall have a right to vote on the election of the Supplier Director and the remaining provisions of this Rule 7 shall be construed and deemed modified to such election accordingly.
- 7.3.6 Nominations received for the Elected Directors shall be put forward for election at an Electoral College meeting to be held annually for that purpose to take place more than twenty-one (21) days before the AGM. In any year a second Electoral College meeting shall if necessary take place no later than seven months after the AGM and more than twenty-one (21) days before the relevant GM for the election of any replacement Elected Director(s) as required.
- 7.3.7 Each Member entitled to vote at Electoral College meetings (whether for Member Directors, the Honorary Treasurer and/or the Supplier Director) shall vote by secret ballot. Voters shall vote for the number of candidates to be elected and the total number of votes recorded by each voter shall not exceed the number of candidates to be elected and a voter may not record more than one vote for any one candidate.
- 7.3.8 At each election the candidate or candidates receiving the highest number of votes shall be elected. In the event of an equality of votes another ballot shall be held for the tying candidates only.
- 7.3.9 A quorum for the Electoral College meetings shall be 60% (to the nearest whole number) of the members of it currently eligible to vote.
- 7.3.10 The Elected Directors elected by the Electoral College shall each hold office from the date of their election under this Rule 7 until the earlier of either the election prior to the AGM in the third year following their taking office and or the date of the AGM or GM next following their election if their election is not at that meeting ratified.
- 7.3.11 Retiring Elected Directors shall be eligible to stand for election for a second term after which they will not be eligible to stand for re-election until after the election next following the election at which they were last stood down.
- 7.3.12 The Board may but need not co-opt Members or representatives of Members to serve on the Board so that at any time there shall be no more than two such Board members. Such co-opted Board members shall be entitled to speak but not vote. Subject to Rule 12 co-opted Board members shall hold office until the first meeting of the Board after 1 August in the year following the date of their appointment when they shall retire but be eligible for election as Board members.

Suitability for Office

- 7.4 If, in the opinion of the Board, the business connections of any Board member shall be considered not or no longer compatible with membership of the Board or the Objects of the BMF then the Board shall be entitled to seek an explanation and to determine such individual's

Board membership by a quorate majority vote of those present and entitled to vote excluding the Board member about whom concerns have been expressed.

- 7.5 If an Elected Director or a member of any BMF Committee ceases to be a Member, or in the case of a representative of a firm or incorporated business if the Member they represent ceases to be a Member that individual shall immediately cease to be a member of the Board or BMF Committee.
- 7.6 If any member of the Board or member of any BMF Committee shall have become bankrupt or shall have made any arrangements with creditors or become insolvent or be subject to criminal convictions or conduct themselves otherwise so that they are likely in the reasonable opinion of the Membership Panel to bring the BMF into disrepute that individual shall automatically cease to be a member of the Board or BMF Committee. Anyone dissatisfied with any decision made by the Membership Panel under this Rule 7.6 may address their dissatisfaction by way of appeal using the appeal procedures set out in Rule 6 suitably amended.

Board Procedures

- 7.7 The Board:
- 7.7.1 May request the attendance of the chair of one or more BMF Committees at meetings of the Board,
- 7.7.2 May form committees ("**Liaison Committees**") to which members of other associations or bodies or merchants engaged in specialist activities as approved by the Board may be admitted under conditions and with remits determined as set out in Standing Orders,
- 7.7.3 Shall be entitled to act notwithstanding any vacancy in their body,
- 7.7.4 Shall hold at least six meetings in every year and further meetings may be held as required, five members of the Board entitled to vote constituting a quorum,
- 7.7.5 Shall be convened by the National Chairman or in case of emergency any Board Director on fourteen (14) days notice (but in case of urgency a meeting may be called on giving at least three (3) days notice) whether the meeting is in person or by telephone conference or other electronic communication.
- 7.7.6 All matters to be determined by the Board shall be dealt with by a show of hands or other similar procedure and shall unless otherwise expressly provided by these Rules or by Standing Orders be determined by a majority of those present and voting. The National Chairman shall if necessary have a casting vote.

8 TRUSTEES

If and to the extent that any assets of the Society are held for and on the Society's behalf by trustees ("**Trustees**") the Trustees shall do no act as Trustees otherwise than in accordance with the direction or authority of the Board such direction or authority whether generally or in any specific case to be evidenced in writing signed by the Chief Executive and shall transfer any such assets to the direct ownership of the Society as directed by the Board.

9 EMPLOYEES AND ADVISORS

The Board shall authorise the Chief Executive to appoint in consultation with the Board other salaried employees, servants, professional advisors and agents to administer and advise on the business of the BMF.

10 CO-OPERATION & AFFILIATION

- 10.1 Delegates from other trade associations and organisations with which the BMF may have community of interest may be invited to attend any meeting including meetings of the Board and BMF Committees subject to the approval of the chair of any such meeting. They shall have the right to speak but not vote upon matters affecting the organisations they represent.
- 10.2 The Board may appoint delegates to co-operate with an attend meetings of any other association, organisation or body of employers or of workers in the trades whether or not the BMF is in affiliation with that other association or body.
- 10.3 The Board for and on behalf of the BMF may enter into agreements and arrangements for affiliation or co-operation with any other association, organisation or body of employers or of workers in the building trades on such terms as may from time to time be agreed.

11 BMF COMMITTEES

- 11.1 The Board shall establish committees (“**BMF Committees**”) which shall subject to this Rule 11 have constitutions, memberships, terms or reference, reporting obligations and budgets as specifically determined by the Board or as set out in Standing Orders. Without limitation BMF Committees may be established to address the needs of Categories of Members, Members in specific Regions or other geographic areas, Members with particular characteristics, specialist products merchanting businesses or particular presentation, representation and co-operation activities.
- 11.2 Every BMF Committee:
- 11.2.1 Shall have the chair, vice-chair and secretary appointed by the Board;
- 11.2.2 Shall determine every matter by a majority of those present and voting (the chair shall not have a casting vote);
- 11.2.3 Shall operate under the general control, direction and terms of reference set by the Board;
- 11.2.4 Shall report to the Board at least once per annum, send minutes of the meetings to the Board and receive guidance from the Board on its current and future work programme.

12 ANNUAL GENERAL MEETINGS & GENERAL MEETINGS

- 12.1 There shall be an Annual General Meeting, an AGM and may be one or more General Meetings, GMs, on such dates and at such venues in each year as the Board shall determine that shall be chaired by the National Chairman or whichever Board member the National Chairman shall nominate and to which all Members of the BMF shall be invited to attend on at least twenty-one (21) days notice.
- 12.2 The business of an AGM and any GM called under Rule 7 shall include to consider and vote on appointments of Board members including the Honorary Treasurer made by the immediately Electoral College meeting and on any co-opted Board members elected or nominated since the last previous AGM or GM. If a simple majority of those Members present and voting vote against any appointment the appointee shall cease to hold their appointment at the AGM or GM close of business.
- 12.3 The business of every AGM shall include to:
- 12.3.1 Receive and approve the audited accounts for the previous year;
- 12.3.2 Receive the report of the Board and a financial statement; and
- 12.3.3 To appoint a qualified auditor or qualified auditors to audit the Society’s accounts and balance sheet for that year in accordance with the requirements of the Act.

- 12.4 Any AGM or GM shall deal with any business or motion on which at least twenty-one (21) days previous notice shall have been given and may discuss other business which in the opinion of the Chairman is appropriate to that meeting.
- 12.5 Every Member of the BMF entitled to vote at an AGM or GM shall be entitled to one vote and The Board may in their absolute discretion and in respect of any item or all items of business at any AGM or GM: either
- 12.5.1 Permit Members to vote by a proxy who shall be a Member entitled to vote on the relevant item or items of business and must be declared in writing to the Chairman in such manner and by such date as the Board shall determine published to Members in the notice to Members of the AGM or GM; or
- 12.5.2 Provide for Members to vote by postal and/or electronic ballot on any item or items of business either instead of or as well as calling and holding an AGM or GM at which Members may vote in person; and.
- 12.5.3 All matters shall be dealt with at an AGM or GM by a show of hands and all votes in respect of a matter whether in person or by postal or electronic means or by votes made in more than one medium shall, unless otherwise expressly provided by these Rules or by Standing Orders, be determined by a simple majority of those Members present or represented and voting or otherwise taking part in the vote. In the event that the votes cast are equal and no majority is shown either for or against a motion then the National Chairman will be entitled to but need not exercise a casting vote. The declaration of the chair of the outcome of any vote shall be conclusive except that if the vote is in person at a meeting only and ten per cent of the Members present shall immediately after the chair of the meeting has declared the result of the vote demand a poll the matter shall be determined either by ballot of those present and entitled to vote or by a vote undertaken by postal or electronic means as the chair of the meeting shall determine. Where there is a ballot of the meeting a resolution shall be deemed to be carried if seventy per cent or more of those present and voting have voted in favour of the resolution.
- 12.6 Fifteen (15) Members voting shall constitute a quorum for vote of the Members.
- 12.7 A GM may be called by the Board or on a requisition by at least 20% of Members and shall be held within three months of the receipt of a meeting requisition made in writing to the Chairman.

13 REFERENDUM

If in the opinion of the Board it shall be necessary or desirable, a referendum may at any time be taken of the Members or any number of them on any matter affecting the interests of the BMF, the Members or the building trades.

14 BUSINESS OTHER THAN BY PHYSICAL MEETING

- 14.1 The business of the Board or of any BMF Committee if the National Chairman thinks fit or if the Board or Committee so decide shall be conducted live by telephone or video conference or by correspondence whether by post or electronically. Subject to a requirement to maintain a quorum, a memorandum or resolution approved by a majority of those properly concerned in it shall be of the same effect as a resolution duly passed at a meeting of the Board, or BMF Committee as the case may be.

15 FINANCIAL & BUSINESS RECORDS & RETURNS

- 15.1 Separate Minute Books shall be kept for all AGM, GMs and meetings of the Board and BMF Committees.

- 15.2 The BMF shall maintain books of account and other financial records, publish the accounts and balance sheets of the BMF in accordance with the requirements of the Act and the Trade Union and Labour Relations (Consolidation) Act 1992, make timely and complete returns and disclosures to the FCA in accordance with the Act, to H M Revenue and Customs as required by fiscal legislation and otherwise as required by law.

16 FINANCIAL MATTERS

- 16.1 The Board may from time to time fix and publish to Members the amount of the annual subscriptions, special subscriptions, and special offers and/or entrance fees of the Members and Associates. Such subscriptions and/or fees shall be payable on admission as a Member or Associate and thereafter the subscriptions shall be payable on the 1st day of April in each year or such other day or days in each year as the Board may determine (and varying days may at the discretion of the Board apply to the whole or to any section or sections of the Members). If any Member or Associate fails to pay such subscriptions within three months from the date when the fall due, the Board shall be empowered to take such steps as it may think proper for their recovery and the Board may cause the Membership Panel to consider whether there should be a termination of being a Member or Associate.
- 16.2 Termination of being a Member or Associate shall not relieve the Member or Associate of their liability to pay any subscriptions due and payable at the date of termination.
- 16.3 The Board may fix a special annual subscription to be paid by a holding company admitted into Membership under Rule 6.3 or may excuse such holding company from the payment of any annual subscription.
- 16.4 Any person admitted to being a Member or Associate after 1 April shall pay a pro-rata proportion of the subscriptions as set from time to time by the Board for the remaining months of the year of admission.
- 16.5 The Board may from time to time make contributions and donations and gifts out of the funds of the BMF, either capital or income, to causes and actions it considers to be of benefit to Members or the trades and to any charitable object or fund.

17 ALTERATION OF OBJECTS, RULES & STANDING ORDERS

- 17.1 No alteration or addition to the Objects or these Rules more generally shall be made except with the approval of the Members in an AGM or GM. Notice of the proposed alterations shall be given to Members in the notice calling the meeting at which this is to be considered. Any alteration or addition shall require the approval of at least seventy-five (75) per cent of the Members present and voting at the meeting at which this is considered.
- 17.2 The Board shall make and alter the Standing Orders as the Board shall from time to time decide.

18 GENERAL

- 18.1 The BMF shall maintain logos that shall be decided upon from time to time by the Board. These logos and the BMF name may be utilised by Members to denote their appropriate Membership status. Each Member undertakes that should they cease to be a Member of the BMF for any reason they will not in any way continue to utilise the BMF name or logos or suggest in any way that they remain BMF Members.
- 18.2 It shall be the duty of every Member to furnish the BMF with any information in their possession or power which may be to the benefit of the other Members of the BMF or of the building trades or which may protect the other Members from fraud or other material misdemeanour. In particular Members should inform the BMF of cases within their knowledge of attempts on the part of any Member or other person to obtain goods fraudulently or without ostensible means of payment or to carry on any practice which in the opinion of the Board or Member is likely to bring the trades into disrepute and of all fraudulent or suspicious cases of bankruptcy or

insolvency or of any flagrant infringement or breach by a Member of the Rules or Standing Orders.

- 18.3 The BMF shall be entitled in its absolute discretion to reimburse or recompense any Member, Board member, Committee member, auditor, employee, advisor or contractor of the BMF for any expense properly incurred or for any damage or loss suffered in carrying out or in connection with BMF business or activities.
- 18.4 The BMF may afford business, legal, marketing, technical and legislative information, services and other advice to Members; give information regarding the financial standing, status of, and/or any other matters relating to persons, firms or companies with whom a Member desires or intends to deal and provide computer programs and services. All such advice, information, programs and services shall be deemed to be given without any responsibility or liability on the part of the BMF or any of its officers or Members. A Member by making application for and becoming a Member undertakes and accepts that all such information, services, advice and programs are given in confidence without liability or responsibility on the part of the BMF, its officers, employees or Members, and that he will make no claim upon the BMF, its officers, employees or Members in respect thereof.
- 18.5 If any claim be made or any prosecution other than for motoring offences with a tariff of six points or less or other matters of no greater significance, action or suit at law be commenced against any Trustee, any member of the Board, the Chief Executive or other employee, servant or agent of the BMF for anything done by them in the proper and reasonable discharge of their duty, such person shall be defended and indemnified by and at the cost of the BMF from all damages, costs and expenses of whatsoever nature or kind which may be incidental to or result from such claim, prosecution, action or suit at law. The Board is hereby empowered to fund solicitors for the defence of such person and to employ the property and funds of the BMF for all these purposes

PROVIDED THAT the relevant individual both acts in good faith in the best interests of the Society and is not convicted of any crime or is subject to any successful action by the BMF in respect of their conduct of their office.

- 18.6 Any person who is either a Member of the BMF or is acting for and on behalf of a Member which is itself a limited company or association if and as the Board so directs may when acting in connection with the business or activities of the BMF be deemed to be acting as a servant or agent of the BMF and accordingly shall be entitled (without prejudice to any other rights or privileges) to the benefit of Rule 18.5.
- 18.7 In case any matter shall at any time arise not provided for specifically in these Rules or in the Standing Orders or should any doubt or difficulty arise as to the interpretation or construction thereof, the same shall be determined by the Board whose decision shall be final and binding upon all Members save for manifest error.
- 18.8 The BMF may have a common seal but need not have one. The BMF's name shall be engraved in legible characters on any seal that the BMF has. The Board shall regulate the use of the seal and ensure that at all times the seal is in safe custody.

19 DISSOLUTION

- 19.1 The BMF may be dissolved under the Act by an instrument of dissolution signed by at least 75% of the Members of the Society.
- 19.2 In the event that the Society is wound up and there is a surplus of assets over liabilities that surplus shall be donated by the Society to a charity or charities to be expended on purposes that further the Objects or any of them as the Board shall decide.

