

## RULES

### 1 Definitions

Act	means the Companies Act 2006
Articles of Association	means the Articles of Association of the Company as amended from time to time
Associate Member	means a wholesaler, supplier, trade association or other business whose interests are closely associated with the Company and who is accordingly admitted to Association Membership of the Company in accordance with these rules
Board of Management	means the governing body for the time being of the Company in accordance with these Rules comprising of the executive and non-executive Directors and/or officers of the Company as defined in rule 4.3
Branch	means a branch, of the Company duly established under these Rules
Chief Executive Officer	means the person appointed as such by the Board of Management pursuant to these Rules.
Company	Means BIRA Holdings Limited
Constitution	means the Articles of Association and the Rules
Division	means a division of the Company duly established under these Rules
Executive Directors	means the director(s) of the Company appointed as executive directors in accordance with rule 3.11
Full Member	means a person, firm or company admitted to Full Membership of the Company in accordance with these Rules
Honorary Life Member	means a person granted membership of the Company by the Board of Management in recognition of services rendered to the Company
Honorary Treasurer	shall have the meaning in rule 4.17.2
Member	means a Full Member, Retired Member or Associate Member of the Company in accordance with these Rules as the context shall permit
Model Articles	means the model articles for private companies limited by guarantee contained in Schedule 2 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Rules and reference to a numbered " <b>Model Article</b> " is a reference to that article of the Model Articles
President	A non-executive officer of the Company elected to the office of President in accordance with clause 3.1

Retired Member	means a person, firm or company admitted to Retired Membership of the Company in accordance with these Rules and having all rights and privileges of a Full Member except for voting rights
Rules	means the Rules of the Company as set out herein as amended from time to time
Vice President	a non-executive officer of the Company elected to the office of Vice President in accordance with clause 3.1

- 1.1 Save as otherwise specifically provided in these Rules, words and expressions which have particular meanings in the Articles of Association and the Model Articles shall have the same meanings in these Rules, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Rules

## **2 Conditions of Membership**

- 2.1 Any person, firm or company trading as a retailer or dealer shall be eligible to be considered for admission to Full Membership, Retired Membership or Associate Membership of the Company subject to the Constitution.
- 2.2 Any person, firm or company desiring to be admitted to membership of the Company shall sign a declaration to that effect and undertake to comply with the Constitution.
- 2.3 All applications for Membership of the Company shall specify with which Division or Divisions of Membership the applicant would prefer to be identified with and shall be made by the completion and execution of such forms as may be prescribed by the Company from time to time. If no division is readily appropriate the member shall become a direct member of the Company.
- 2.4 Notwithstanding the provisions of Rule 8.1, if the Board of Management after enquiry is of the opinion that any Member, has acted or is acting in a manner contrary to the interests of the Company, the Board of Management shall (subject to the Constitution) have power to expel, suspend or otherwise deal with such Member.
- 2.5 Failure to pay subscriptions to the Company within a period of six calendar months from the date upon which they become due or failure in any other material respect properly to comply with the Rules shall be deemed to be an act contrary to the interests of the Company within the meaning of Rule 2.4 above.
- 2.6 Where any Member shall be adjudicated bankrupt or enter into any composition or arrangement with his creditors or be convicted in any Court of Law of an arrestable offence and be imprisoned or be found lunatic or become of unsound mind or being a Corporation shall have a receiver, administrative receiver or administrator appointed of some part or all of its assets or shall enter into liquidation (whether voluntary or compulsory save for a solvent liquidation made solely for the purposes of reorganisation of the Member's business) the Board of Management may decide that his Membership shall be terminated and such decision shall have immediate effect and the Company shall send notice of such termination of Membership or status to the Member.

## 2.7 **Categories of Membership**

### 2.7.1 Honorary Life Membership

- (a) The Board of Management, in recognition of services rendered to the Company, may elect any person an Honorary Life Member. Any Honorary Life Member so elected shall be notified of, and may attend and speak at any General Meeting, but shall not otherwise be subject to the Rules for the time being governing Membership of the Company and Honorary Life Membership as such does not carry voting rights.

### 2.7.2 Associate Membership

- (a) Associate Membership of the Company shall be open to wholesalers, suppliers, distributors, trade associations and other businesses whose interests are closely associated with those of the Company, whether generally or in regard to any one of several activities carried on by them. All applications for Associate Membership of the Company shall be made by the completion and execution of such forms (if any) as may be prescribed by the Company from time to time and shall be determined by the Board of Management at its discretion. Such persons as are admitted to Associate Membership in accordance with the Constitution shall be Associate Members. The privileges accorded to an Associate Member or his representative shall be limited as decided by the Board of Management from time to time but in any event no Associate Member or his representative shall be entitled to be elected to the Company's Board of Management or to receive notice of or to attend or vote at any General Meetings of the Company.

- 2.8 No Member shall be treated as admitted until his subscription for the current year or part thereof is up to date.
- 2.9 Every Member whether or not he shall have actually received a copy of the Constitution and of the bye-laws made pursuant thereto shall be deemed to have notice thereof and be bound thereby.
- 2.10 Members shall pay annual subscriptions which shall be such sums (if any) as shall from time to time be fixed by the Board of Management.
- 2.11 Only Full Members or their duly authorised representatives may serve on the Board of Management save that it shall not be a requirement of the Honorary Treasurer or the Company's Chief Executive Officer or the Executive Directors to be Full Members of the Company.
- 2.12 Any Member intending to resign shall give one month's notice in writing of such intention before the expiration of their current year's subscription, otherwise the Member shall be deemed to have elected to continue as a Member during the following year, and shall be liable for the subscriptions for such year.
- 2.13 The rights, privileges and obligations attaching to Membership shall be subject to these Rules and may be varied or abrogated by any cancellation of or alterations or additions to these Rules made in accordance with these Rules and without any further sanction approval consent or resolution by any individual or class.

### **3 Election of Officers**

- 3.1 At each Annual General Meeting of the Company there shall be elected or re-elected the following Officers:

President

Vice-President

Honorary Treasurer

and all such Officers shall be members ex-officio of the Board of Management of the Company and shall hold office until the next Annual General Meeting.

- 3.2 The President shall hold office for a minimum of one year and a maximum of three years. In the event that the President shall have been initially appointed to fill such position for part of a period only between Annual General Meetings of the Group, the President shall automatically be re-elected at the second Annual General Meeting of the Group until the following Annual General Meeting.
- 3.3 Subject as herein mentioned the Vice-President may hold office only for one year or until the next Annual General Meeting except where permitted pursuant to Rule 3.4.
- 3.4 In the event that any of the Vice-President shall have filled such position for part of a period only between Annual General Meetings of the Group, he may offer himself for re-election at the next Annual General Meeting only. There is no limitation on the number of times the Honorary Treasurer may stand for re-election.
- 3.5 In the event of the President ceasing to be President other than by retirement at an Annual General Meeting for any reason, the Vice-President shall automatically become President in his stead.
- 3.6 Each of the Divisions and Sub Divisions of the Company shall at its last meeting prior to each Annual General Meeting of the Company elect one of its members to be Chairman of the respective Division or Sub Division to serve from the date of the Annual General Meeting to the day before the next following Annual General Meeting. Should they fail so to appoint such a Chairman at such meeting it shall as soon as possible thereafter appoint one of its members to be its Chairman to serve from the date of such appointment until the day before the next following Annual General Meeting.
- 3.7 Subject to Rule 4, each of the Divisions (or Sub-Divisions having the right to nominate a member of the Board of Management) is not obliged to do so but may at its last meeting prior to each Annual General Meeting of the Company also elect one of its members (in place of its Chairman) to be its nominated member of the Board of Management to serve from the date of the Annual General Meeting to the day before the next following Annual General Meeting.
- 3.8 In the event of the Chairman of a Division or Sub Division (or such other person (if any) nominated by a Division or Sub Division to serve on the Board of Management) ceasing for any reason other than by retirement on the day preceding an Annual General Meeting of the Company to be such Chairman or such nominee the Division or Sub Division concerned may in order to fill any vacancy so occurring elect another to be Chairman of the respective Division or

Sub Division to replace such Chairman and/or (as the case may require) may elect another to replace such nominee in both such cases to serve in such respective capacities to the day before the next following Annual General Meeting.

- 3.9 The Board of Management may from time to time appoint a Chief Executive Officer on such terms as it shall think fit and may from time to time remove such Chief Executive Officer and any such Chief Executive Officer shall be a member ex-officio of the Board of Management until he ceases to be Chief Executive Officer.
- 3.10 The Board of Management shall from time to time appoint a person with appropriate qualifications and/or experience as Honorary Treasurer, but that person shall be subject to being elected or re-elected as Honorary Treasurer at the Annual General Meetings of the Group as provided in Rule 3.
- 3.11 In addition to the Chief Executive Officer the Board of Management may from time to time appoint up to six persons (to be known as "Executive Directors") and who shall be employees of the Company on such terms as it shall individually think fit to be members of the Board of Management and may from time to time individually remove any such person or persons as such Executive Directors. Such persons shall in any event automatically cease to be Executive Directors forthwith upon their respectively ceasing to be employees of the Company. The Executive Directors may be individually designated with such titles as the Board of Management shall from time to time think fit.
- 3.12 All casual vacancies arising among the Officers of the Company may be filled by the Board of Management. Any member so chosen shall retire at the following Annual General Meeting but shall be eligible as a candidate for election as an Officer at such Annual General Meeting.
- 3.13 The primary duty of the President is to ensure the successful functioning of the Group and the attainment of its objectives. The President shall ex-officio be a member of all Divisional Committees of the Group.

#### **4 The Board of Management**

- 4.1 The business of the Company shall be managed by the Board of Management.
- 4.2 The Board of Management shall consist of such persons, not being less than Nine, as are appointed pursuant to the provisions hereinafter contained.
- 4.3 Subject to any decision of the Board of Management, the Board of Management shall be drawn from the following persons each of whom shall have one vote at any meetings of the Board of Management:
  - The President
  - The Vice-President
  - The Immediate Past President
  - The Honorary Treasurer
  - The Chairman of the British Hardware Federation
  - The Chair of the Fashion Association of Britain

- Two members nominated by the Board of Management and elected annually by the Membership.
  - The Chief Executive Officer, Chief Financial Officer and Commercial Director, together with any additional Executive Directors appointed agreed from time to time by the Board of Management.
  - At least two members nominated and elected annually by the membership to serve for a two-year term, with a maximum of two consecutive terms of office, i.e. four years in total. Such members to be selected on merit irrespective of the area they reside or trade in.
- 4.4 The Board of Management subject to the foregoing shall have power at any time, and from time to time, to appoint any person or persons to be a non-voting member or members of the Board of Management either to fill a vacancy or vacancies or as an additional member of the Board of Management. Any member of the Board of Management so appointed in accordance with this Rule 4.3 shall hold office only until the conclusion of the next following Annual General Meeting of the Company but, subject to these Rules, may offer himself for re-election thereat until the next succeeding Annual General Meeting.
- 4.5 With the exception of the Honorary Treasurer, the Chief Executive Officer and Executive Directors all other members of the Board of Management must be Full Members
- 4.6 The office of a member of the Board of Management shall be vacated:
- 4.6.1 If he be removed from office in accordance with the other provisions of these Rules; or
  - 4.6.2 If he resigns his office by notice in writing to the Board of Management; or
  - 4.6.3 If he ceases to be Chairman of a Division (or a person elected by a Division or Sub Division to serve on the Board of Management in accordance with Rule 18(g)); or
  - 4.6.4 If he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
  - 4.6.5 If he becomes of unsound mind; or
  - 4.6.6 If he becomes prohibited from being a member of the Board of Management by reason of any provision of any Act of Parliament, or
  - 4.6.7 If he attains the age of seventy-five years.
- 4.7 At all meetings of the Board of Management the President shall preside or, in his absence, the Vice-President. If neither the President, nor the Vice-President is present at any meeting then the Chairman thereof shall be such member of the Board of Management as the members of the Board of Management then present shall elect.
- 4.8 Members of the Board of Management may not appoint alternates, except in accordance with Rule 3 above.
- 4.9 Special meetings of the Board of Management may be convened by the President or upon receipt of a requisition in writing addressed to the Chief Executive Officer of the Company and signed by at least six members of the Board of Management. Any such requisition must state the business proposed to be brought before the meeting.

- 4.10 Meetings of the Board of Management shall be convened by the Chief Executive Officer of the Company sending by post, e-mail or fax to every member entitled to be present at the address last supplied to the Company, notice specifying the day, place and hour of the meeting, but the accidental non-receipt of a notice by a member shall not invalidate the proceedings at any Board of Management meeting.
- 4.11 All questions before the Board of Management shall be decided by a majority of votes of the members present and entitled to vote, each of whom shall have one vote, and in the event of equality of votes the Chairman shall have a second or casting vote. Voting shall be by secret ballot if any two members of the Board of Management present so demand. In the absence of a meeting, a memorandum in writing signed by all the members of the Board of Management for the time being entitled to vote at a meeting of the Board of Management shall be as valid and effectual as a resolution passed at a meeting of the Board of Management duly called and constituted. Any such memorandum may consist of several documents in like each signed by one or more of such members.
- 4.12 The Board of Management shall cause minutes to be kept for the purpose of recording:
- 4.12.1 The names of members of the Board of Management present at each meeting of the Board of Management and any committee of the Board of Management;
- 4.12.2 All resolutions and proceedings at all meetings of the Company and of the Board of Management and of Committees of the Board of Management and any minute of any such meeting shall, if purporting to be signed by the Chairman of such meeting or the Chairman of the next succeeding meeting of the Board of Management or the Committee (as the case may be), be conclusive evidence without any further proof of the matter therein stated.
- 4.13 Expenses of members attending Board of Management or Committee Meetings, and also when engaged upon business of commissions, deputations and otherwise officially representing the Group may be paid by the Company in accordance with regulations made from time to time.
- 4.14 Bye-laws.
- 4.14.1 The Board of Management shall have power to make, alter or revoke bye-laws, rules and regulations for regulating the business of the Company and of the Board of Management and in particular subject to these Rules the terms and conditions of the admission of Members of the Company.
- 4.14.2 No bye-laws, rules or regulations shall be made which would amount to an alteration of these Rules except as legally made pursuant to these Rules.
- 4.15 The Board of Management shall have full power to deal as it thinks fit with any Division or Branch of the Company which in the opinion of the Board of Management is not discharging its duties.
- 4.16 The Board of Management may establish such Divisions and agree the terms of reference of such Divisions as it thinks fit, and may prescribe the qualifications necessary for membership thereof.
- 4.17 ***Chief Executive Officer, Executive Directors and Honorary Treasurer***

- 4.17.1 A Chief Executive Officer and other Executive Directors shall be appointed by the Board of Management for such period and upon such terms as the Board of Management may determine. The Chief Executive Officer will be responsible to the Board of Management for the direction and overall management of the Company.
- 4.17.2 The Board of Management shall from time to time appoint a person with appropriate qualifications and/or experience in financial management as Honorary Treasurer. The principal duties of the Honorary Treasurer shall be to maintain an overview of the Company's financial position and budgetary processes, to consult as necessary with the Financial Director and auditors, to present the Company's accounts at each year's Annual General Meeting and to undertake such duties of a like nature which shall be delegated to him by the Board of Management. The Honorary Treasurer shall ex officio be a member of any Remuneration (or similar) Committee constituted by the Board of Management in accordance with these Rules.
- 4.18 No member of the Board of Management except the Chief Executive Officer and the Executive Directors shall be entitled to any remuneration.
- 4.19 Notwithstanding the other provisions of these Rules and subject to limits (if any) from time to time determined by the Board of Management, members of all or any of the Board of Management or Divisions of the Company and any properly constituted committees or sub-committees of any of the foregoing may be paid all travelling hotel and other expenses properly incurred by them in attending and returning from meetings of the Board of Management or Divisions of the Company and any properly constituted committees or sub-committees thereof.

## **5 FUNDS**

- 5.1 To facilitate the proper assessment of subscriptions it shall be the duty of each Member to furnish to the Company when called upon to do so a return showing the required information to determine their subscription category.
- 5.2 Membership subscriptions are due in advance on 1st January in each year, or such other date as the Board of Management may authorise from time to time.

## **6 Divisions and Branches**

- 6.1 Divisions and Branches of the Company may be formed upon such terms and conditions as the Board of Management may (subject to the Constitution) think fit.
- 6.2 The area of a Branch of the Company may be determined by the Board of Management of the Company and the Board of Management may make such arrangements, financial or otherwise, as it deems necessary for the proper Company of the territory and operations of the Company whether within the area of a Branch or not.
- 6.3 Any Division or Branch of the Company desiring to take action on any particular matter and desiring the support or assistance of any Member of the Company not being members of that Division or Branch, shall before taking any other steps refer the matter to the Board of Management.

- 6.4 The terms of reference and or rules of all Divisions and Branches shall be in conformity with the Constitution and shall not contain any provisions which are contrary thereto.
- 6.5 Any Division or Branch of the Company or any Member may submit in writing to the Company for consideration by the Board of Management any question falling within the objects of the Company.
- 6.6 Any Member of the Company may submit to his Division or local Branch of the Company, any question which shall be dealt with as the Division or Branch of the Company thinks fit, subject to the provision of these Rules.
- 6.7 Divisions and Branches of the Company and all Members of the Company shall conform with and strictly observe in all respects all agreements entered into by the Company with any manufacturers, merchants or with any other persons.

## **7 Accounts and Audit**

- 7.1 The Board of Management shall cause proper books of account to be kept in respect of all sums of money received and expended by the Company and of all matters in respect of which such receipts and expenditure take place, all sales and purchases of goods and the assets and liabilities of the Company. Proper books of account 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 Company's affairs and to explain its transactions. Professional Auditors shall be appointed at each Annual General Meeting. They shall audit the financial statements of the Company and prepare a report for the Full Members or, if unable to do so, they shall report to that effect to the Board of Management. The Auditors' Report shall be printed on or attached to every copy of the financial statements presented to the Annual General Meeting.
- 7.2 The financial statements shall be signed by the President or in his absence one member of the Board of Management and shall have attached to it a report by the Board of Management with respect to the state of the Company's affairs and the Auditors' report.

## **8 Infringement of Rules**

- 8.1 Any breach or alleged breach of the Constitution on the part of any Member shall be inquired into by the Board of Management, whose decisions shall be final and binding.

## **9 Alteration of Rules**

- 9.1 Alteration of the Rules or any part or provisions thereof may be made by a majority decision of the Board of Management.

## **10 Winding Up**

- 10.1 If at any General Meeting a resolution for the dissolution of the Company shall be passed by a majority of the Full Members present in person, and such resolution shall be confirmed at an Extraordinary General Meeting held not less than one month later by a resolution passed by a majority of 75% of the Full Members present and voting thereon, the Board of Management shall

thereupon or at such future date as shall be specified in such resolution proceed to realise the assets of the Company in accordance with the Articles of Association.