



## **Articles of Association**

**The Companies Act 2006**

**Private Company Limited by Guarantee**

**Articles of Association**

of

**Bathroom Manufacturers Association**

**Part 1**

**Interpretation and Limitation of Liability**

**Defined Terms**

1. In the articles, unless the context requires otherwise

**“affiliate members”** has the meaning given in article 71;

**“articles”** means the Association's articles of association;

**"Association"** means the company;

**“bankruptcy”** includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

**"Bathroom Equipment"** means Sanitaryware, Baths, Taps, Showers & Controls and any other furniture, radiators or other accessories for bathroom use;

**"Baths"** means baths and shower enclosures of all materials including shower trays, shower screens and enclosures but excluding Taps, Showers & Controls;

**“CEDR Solve”** means Centre for Effective Dispute Resolution Limited;

**"Centre of Excellence"** means a forum to drive forward the marketing and training strategies as previously agreed by the Association in general meeting;

**“Companies Acts”** means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the Association;

**"control"** includes control exercised through an appropriate sub-contracting agreement;

**“document”** includes, unless otherwise specified, any document sent or supplied in electronic form;

**“electronic form”** has the meaning given in section 1168 of the Companies Act 2006;

**"Industry"** means the business of the manufacture and/or distribution of Bathroom Equipment;

**“management committee”** means the committee referred to in article 34;

**“member”** has the meaning given in section 112 of the Companies Act 2006 (and for the avoidance of doubt excluding affiliate members);

**“notice”** includes all written communications to members;

**"Office"** means the principle office for the time being of the Association;

**“ordinary resolution”** has the meaning given in section 282 of the Companies Act 2006;

**"President" "1<sup>st</sup> Vice President" and "2<sup>nd</sup> Vice President"** each has the meaning given in article 72;

**"Product Group"** means each of the following categories of product, namely:-

- Sanitaryware
- Baths
- Taps, Showers and Controls
- Centre of Excellence and
- any other products or services which are similar to or complementary to any of the above and which the members of the Association determine by Ordinary Resolution to be such;

**“proxy notice”** has the meaning given in article 116;

**"Qualifying Products"** products comprising or included in one or more Product Groups;

**"Qualifying Business"** a business which, in relation to Qualifying Products, carries on or controls all of the following elements, namely:-

- product design
- product development
- raw material procurement
- product manufacture/production/assembly

- packaging
- product distribution;

**"Sanitaryware"** means sanitaryware of all materials including toilet seats and wooden furniture but excluding Taps, Showers & Controls;

**"Secretary"** includes any person appointed to perform the duties of secretary of the Association whether temporarily or otherwise;

**"special resolution"** has the meaning given in section 283 of the Companies Act 2006;

**"subsidiary"** has the meaning given in section 1159 of the Companies Act 2006;

**"Taps, Showers & Controls"** means taps, showers and controls of all materials including taps, mixers and showers;

**"turnover"** has the meaning given in Schedule 1; and

**"writing"** means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the company.

## **Liability of Members**

2. The liability of each member is limited to £1, being the amount that each member undertakes to contribute to the assets of the Association in the event of its being wound up while he is a member or within one year after he ceases to be a member, for:
  - 2.1 payment of the Association's debts and liabilities contracted before he ceases to be a member;
  - 2.2 payment of the costs, charges and expenses of winding up; and
  - 2.3 adjustment of the rights of the contributories among themselves.

## Part 2

### Objects and Powers

#### Objects

3. Unless and until otherwise determined by special resolution, the objects of the Association are:
  - 3.1 To promote co-operative consideration and discussion of all questions affecting the whole or one or more sections of the Industry and generally to promote the interests, welfare and prosperity of corporate bodies engaged in the Industry and to encourage co-operation between them;
  - 3.2 To act as a channel of communication between the Industry and HM Government or any department or representative of HM Government or anybody or authority sponsored by HM Government, or any statutory, public or local authority, on any matter affecting the Industry or any section thereof;
  - 3.3 To act as a channel of communication between the Industry and the institutions of the European Communities and any government overseas and any department or representatives of any such institutions or government; and organisations of suppliers of goods and services to the Industry and of customers, exporters, importers, distributors and agents handling Bathroom Equipment; and any other persons or organisations with whom, in the opinion of the Association, any matter affecting the Industry of any section thereof may with advantage be discussed or negotiated;
  - 3.4 To act as a channel of communication between the Industry and other industries in the United Kingdom and in other parts of the world and organisations representing such industries;
  - 3.5 To encourage the exchange of information regarding technical development and manufacturing processing in the industry;
  - 3.6 To assist in and promote the improvement of quality, design and methods of production and distribution of Bathroom Equipment within the Industry and of services to customers of the Industry, and to represent the Industry in the formulation and amendment of both national and international standards and codes of practice;
  - 3.7 To obtain for the Industry, by propaganda and otherwise, publicity in all forms and media; and to promote and join in promoting trade exhibitions and similar displays and other forms of advertisement wholly or partly concerned with Bathroom Equipment; and to participate in government, national and trade missions, schemes and campaigns, which the Association think may directly or indirectly conduce to the attainment of any of its other objects;

- 3.8 To organise and assist in the holding of conferences, seminars and other functions for the discussion and dissemination of information on any matters falling within the scope of the other objects of the Company and to employ advisers, lecturers and others for such purposes;
- 3.9 To prepare, print, publish and circulate books, periodicals and other literary undertakings or other means of communication (including films and tapes) with reference to the production and use of Bathroom Equipment;
- 3.10 To collect and disseminate statistics, data and information for any of the before-mentioned purposes;
- 3.11 To establish and support, or aid in the establishment and support of, any charitable or benevolent organisations, and to subscribe and guarantee money for charitable or benevolent purposes in any way connected with the Industry; and
- 3.12 To establish and support or aid in the establishment and support of associations, institutions, pensions and other schemes, funds and trusts, calculated to benefit officers and employees, or ex-officers and employees, of the Company or the dependants of such persons; and to grant pensions, gratuities and allowances to, and make payments towards, insurance of any such person.

#### **Powers**

4. In fulfilment of the objects of the Association as set out in article 3 hereof, the Association shall have the following express powers:
  - 4.1 To provide monies and other assistance for the carrying out of any of its objects;
  - 4.2 With the approval of a Special Resolution, to borrow or raise any money that may be required for the carrying out of its objects, upon such terms, as the Association may deem advisable, and in particular by the issue of debentures, mortgages or charges on all or any part of the property of the Association, the giving of guarantees of the issue of promissory notes or other obligations or securities;
  - 4.3 To draw, make, accept, endorse, discount, execute the issue promissory notes, bills of exchange and other negotiable or transferable instruments;
  - 4.4 To accumulate funds and to invest the monies of the Association not immediately required, in or upon such investments, securities or property as may from time to time be authorised by law for the investment of trust funds;

- 4.5 To purchase, take on lease or in exchange, hire or otherwise acquire any real or personal property, and in particular any lands, buildings, offices and equipment and any rights or privileges necessary or convenient for the purposes of the Association; and to construct, alter, improve and maintain any buildings which may from time to time be required for the purposes of the Association and to manage, develop, sell, let, mortgage or otherwise dispose of or deal with all or any part of the same with a view to the promotion of any of the objects of the Association;
- 4.6 To provide services to other organisations, persons, and companies, upon such terms as the Association shall deem appropriate;
- 4.7 To acquire, merge with or enter into any partnership or joint venture organisation in furtherance of the objects of the Association;
- 4.8 To set aside income as a reserve against future expenditure but only in accordance with a written policy about reserves;
- 4.9 To employ and remunerate such staff as are necessary for carrying out the work of the Association;
- 4.10 To retain and employ skilled professional, technical or other advisers and to obtain the services of other organisations, in connection with any of the objects of the Association and to pay for services so obtained such fees and remuneration as may be thought expedient;
- 4.11 With the approval of a Special Resolution, to amalgamate or enter into partnership or joint venture with any organisation or company carrying on, in the Industry or in related industries, any activities which the Association is hereby authorised to carry on; and with the like approval, to purchase or otherwise acquire and undertake all or any part of the property, assets, liabilities and engagements of any such organisation or company or to transfer all or any part of the Association's property, assets, liabilities and engagements to any such organisation or company; and
- 4.12 to do all such other lawful things as are necessary for the achievement of the objects of the Association.

## **Part 3**

### **Directors**

#### **Directors' Powers and Responsibilities**

##### **Directors' General Authority**

5. Subject to the articles, the directors are responsible for the management of the Association's business, for which purpose they may exercise all powers of the Association.

##### **Members' Reserve Power**

- 6.1 The members may, by special resolution, direct the directors to take, or refrain from taking, specified action.
- 6.2 No such special resolution invalidates anything which the directors have done before the passing of the resolution.

##### **Delegation by Directors**

7. There shall, unless otherwise determined by ordinary resolution, be six committees of the Association to which the directors shall delegate their powers as they determine or as provided in these articles as follows:
  - 7.1 management committee;
  - 7.2 chief executives' committee; and
  - 7.3 product group committees for each of the Product Groups.
8. No person shall be eligible for membership of a committee unless he fulfils the requirements set out in article 74 in relation to eligibility for honorary office.
9. A member of a committee shall ipso facto cease to be eligible for membership of that committee on the happening of any of the events specified in articles 75 with reference to the vacation of office by honorary officers.
10. The Secretary shall cause minutes to be duly entered, in the books provided for the purpose, of:-
  - 10.1 all appointments and retirements of committee members;
  - 10.2 the names of members of committees present at each meeting; and
  - 10.3 all resolutions and proceedings of committees.



11. Any such minutes of a committee meeting, if purporting to be signed by the Chairman of that meeting or by the Chairman of the next succeeding meeting, shall be receivable as prima facie evidence of the matters stated in such minutes.
12. The Secretary shall notify the directors and members of the proceedings and minutes of committee meetings, in such manner and subject to such restrictions on the grounds of confidentiality as may from time to time be determined by the relevant committee. Resolutions of committees shall only become operative and binding on the Association when duly approved by the directors except where:
  - 12.1 executive authority is delegated to the committee by the directors concerned; or
  - 12.2 the Association or its directors, on appointing a committee or subsequently thereto, has vested executive powers in such committee;
  - 12.3 and where, in each such case, the resolution falls within the scope of such executive authority or powers.

### **Committees**

- 13.1 Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by the directors unless the articles specifically provide otherwise.
- 13.2 The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

## **Decision Making by Directors**

### **Directors to Take Decisions Collectively**

- 14.1 The general rule about decision-making by the directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 15.
- 14.2 If:
  - 14.2.1 the Association only has one director, and
  - 14.2.2 no provision of the articles requires it to have more than one director,the general rule does not apply, and that director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making.

## **Unanimous Decisions**

- 15.1 A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.
- 15.2 Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.
- 15.3 References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a meeting of the directors.
- 15.4 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

## **Calling a Directors' Meeting**

- 16.1 Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.
- 16.2 Notice of any directors' meeting must indicate:
  - 16.2.1 its proposed date and time;
  - 16.2.2 where it is to take place; and
  - 16.2.3 if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- 16.3 Notice of a directors' meeting must be given to each director, but need not be in writing.
- 16.4 Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

## **Participation in Directors' Meetings**

- 17.1 Subject to the articles, directors participate in a directors' meeting or part of a directors' meeting, when:
  - 17.1.1 the meeting has been called and takes place in accordance with the articles, and
  - 17.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

- 17.2 In determining whether directors are participating in a directors' meeting it is irrelevant where any director is or how they communicate with each other.
- 17.3 If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

#### **Quorum for Directors' Meetings**

- 18.1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 18.2 The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed, it is two.
- 18.3 If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision to:
- 18.3.1 appoint further directors, or
- 18.3.2 call a general meeting so as to enable the members to appoint further directors.

#### **Chairing of Directors' Meetings**

- 19.1 The President, whom failing the 1<sup>st</sup> Vice President, whom failing the 2<sup>nd</sup> Vice President, shall chair directors' meetings.
- 19.2 Subject thereto, the participating directors must appoint one of themselves to chair it.

#### **Casting Vote**

- 20.1 If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote.
- 20.2 But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

#### **Conflicts of Interest**

- 21.1 If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the Association in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes.
- 21.2 But if article 21.3 applies, a director who is interested in an actual or proposed transaction or arrangement with the Association is to be counted as participating in the decision-making process for quorum and voting purposes.

- 21.3 This article applies when:
- 21.3.1 the Association by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process;
  - 21.3.2 the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest;  
or
  - 21.3.3 the director's conflict of interest arises from a permitted cause.
- 21.4 For the purposes of this article, the following are permitted causes—
- 21.4.1 a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the Association or any of its subsidiaries;
  - 21.4.2 subscription, or an agreement to subscribe, for securities of the Association or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such securities;  
and
  - 21.4.3 arrangements pursuant to which benefits are made available to employees and directors or former employees of the Association or any of its subsidiaries which do not provide special benefits for directors or former directors.
- 21.5 For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.
- 21.6 Subject to article 21.7, if a question arises at a directors' meeting or of a committee of the directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.
- 21.7 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

### **Records of Decisions to be Kept**

22. The directors must ensure that the Association keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.

### **Discretion of the Directors to Make Further Rules**

23. Subject to the articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

### **Appointment of Directors**

#### **Methods of Appointing Directors**

24. Unless otherwise determined by ordinary resolution, the number of directors (other than any ex officio members pursuant to article 25) shall not exceed ten but shall not be less than two.
25. The President, 1<sup>st</sup> Vice-President and 2<sup>nd</sup> Vice-President for the time being shall be ex-officio directors during their term of office as such.
- 26.1 Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director—
- 26.1.1 by ordinary resolution, or
- 26.1.2 by a decision of the directors.

#### **Rotation of Directors**

- 27.1 At each annual general meeting of the Association, one-third (or the number nearest to, but not exceeding, one-third) of the appointed directors (other than any director holding office pursuant to article 25) shall retire from office, but shall be eligible for reappointment. The directors to retire by rotation may include any who wish to retire and not to offer themselves for re-appointment; and any further directors so to retire shall be those longest in the office since their last appointment or reappointment and so that as between those last appointed or re-appointed on the same date, those to retire (unless otherwise agreed among them) shall be determined by lot.
- 27.2 If the Association, at the meeting at which a director retires by rotation, does not fill the vacancy the retiring director shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the reappointment of the member is put to the meeting and lost.

- 27.3 No person other than a director retiring by rotation shall be appointed or reappointed a director at any general meeting unless he is either recommended by the President or, not less than fourteen nor more than thirty-five clear days before the date appointed for the meeting, notice executed by a director of the Association qualified to vote at the meeting has been given to the Association of the intention to propose that person for appointment or reappointment together with notice executed by that person of his willingness to be appointed or reappointed.
28. Not less than seven nor more than twenty-eight clear days before the date appointed for holding a general meeting notice shall be given to all who are entitled to receive notice of the meeting of any person (other than a director retiring by rotation at the meeting) who is recommended by the President for appointment or reappointment as a director at the meeting or in respect of whom notice has been duly given to the Association of the intention to propose him at the meeting for appointment or reappointment as a director.
29. Subject as aforesaid, the Association may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director and may also determine the rotation in which any additional directors are to retire.
30. The directors may appoint a person who is willing to act to be a director, to fill a vacancy, provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with the constitution as the maximum number of directors or infringe any of the provisions of this article. A director so appointed shall hold office only until the next following annual general meeting and shall not be taken into account in determining the directors who are to retire by rotation at the meeting. If not reappointed at such annual general meeting, he shall vacate office at the conclusion thereof.

#### **Termination of Directors Appointment**

- 31.1 A person ceases to be a director as soon as—
- 31.1.1 that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law or is removed from office by ordinary resolution;
- 31.1.2 a bankruptcy order is made against that person;
- 31.1.3 a composition is made with that person's creditors generally in satisfaction of that person's debts;
- 31.1.4 a registered medical practitioner who is treating that person gives a written opinion to the Association stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;

- 31.1.5 by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
- 31.1.6 notification is received by the Association from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms;
- 31.1.7 that person is absent for more than twelve consecutive months without permission of directors from meetings of the directors held during that period and the directors resolve he ceases to be a director.

### **Directors' Remuneration**

- 32.1 Directors may undertake any services for the Association that the directors decide.
- 32.2 Unless the members by ordinary resolution in any particular case resolve the directors are not entitled to any remuneration for their services to the Association as directors of the Association.
- 32.3 Subject to the articles and to any resolution of the members, a directors' remuneration may—
  - 32.3.1 take any form, and
  - 32.3.2 include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.
- 32.4 Nothing in this article restricts the directors from receiving remuneration from the Association under any contract of service with the Association or for the provision of services to the Association in any other capacity.

### **Directors' Expenses**

- 33.1 The Association may pay any reasonable expenses which the directors properly incur in connection with their attendance at:
  - 33.1.1 meetings of the directors or committees of directors, or
  - 33.1.2 general meetings, or
  - 33.1.3 otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Association.

## Management Committee

34. The administrative business of the Association shall be managed by the management committee.
35. Unless otherwise determined by ordinary resolution, the number of members of the management committee (other than any ex officio members pursuant to article 36) shall not exceed twelve but shall not be less than two.
36. The President, 1<sup>st</sup> Vice-President and 2<sup>nd</sup> Vice-President for the time being shall be ex-officio members of the management committee during their term of office as such.
37. At each annual general meeting of the Association, one-third (or the number nearest to, but not exceeding, one-third) of the appointed members of the management committee shall retire from office, but shall be eligible for reappointment. The members to retire by rotation may include any who wish to retire and not to offer themselves for re-appointment; and any further members so to retire shall be those longest in the office since their last appointment or reappointment and so that as between those last appointed or re-appointed on the same date, those to retire (unless otherwise agreed among them) shall be determined by lot.
38. If the Association, at the meeting at which a member of the management committee retires by rotation, does not fill the vacancy the retiring member shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the reappointment of the member is put to the meeting and lost.
39. No person other than a member of the management committee retiring by rotation shall be appointed or reappointed a member of the management committee at any general meeting:-
  - 39.1 unless he is either recommended by the President or not less than fourteen nor more than thirty-five clear days before the date appointed for the meeting, notice executed by a member of the Association qualified to vote at the meeting has been given to the Association of the intention to propose that person for appointment or reappointment together with notice executed by that person of his willingness to be appointed or reappointed; or
  - 39.2 if his appointment or reappointment would result in:-
    - 39.2.1 a Product Group not being represented by a member of the management committee who is an employee of or otherwise connected with a Qualifying Business in relation to Qualifying Products of that Product Group; or
    - 39.2.2 the management committee not being able to include (without a member vacating office) a member who is an industry expert and not employed by or otherwise connected with a member of the Association; or



- 39.2.3 members of the Association with a turnover of less than £10,000,000 not being represented by at least four members who are employees of or otherwise connected with such a member; or
- 39.2.4 members of the Association with a turnover of £10,000,000 or more not being represented by at least four members who are employees of or otherwise connected with such a member; and for these purposes turnover being calculated by reference to turnover for the purposes of the levies referred to in Schedule 2 of the last preceding calendar year. In case of competition, the person receiving the most votes shall be appointed and any dispute arising regarding the application of the provisions of this article 39.2 shall be determined by the President whose decision shall be final and binding on the Association and its members.
40. Not less than seven nor more than twenty-eight clear days before the date appointed for holding a general meeting notice shall be given to all who are entitled to receive notice of the meeting of any person (other than a member retiring by rotation at the meeting) who is recommended by the President for appointment or reappointment as a member of the management committee at the meeting or in respect of whom notice has been duly given to the Association of the intention to propose him at the meeting for appointment or reappointment as such a member.
41. Subject as aforesaid, the Association may by ordinary resolution appoint a person who is willing to act to be a member of the management committee either to fill a vacancy or as an additional member and may also determine the rotation in which any additional members are to retire.
42. The directors may appoint a person who is willing to act to be a member of the management committee, to fill a vacancy, provided that the appointment does not cause the number of members to exceed any number fixed by or in accordance with the constitution as the maximum number of members or infringe any of the provisions of article 39.2.2. A member so appointed shall hold office only until the next following annual general meeting and shall not be taken into account in determining the members who are to retire by rotation at the meeting. If not reappointed at such annual general meeting, he shall vacate office at the conclusion thereof.
43. Subject as aforesaid, a member of the management committee who retires at an annual general meeting may, if willing to act, be reappointed. If he is not reappointed, he shall retain office until the meeting appoints someone in his place, or if it does not do so, until the end of the meeting.
44. A person ceases to be a member of the management committee as soon as:-
- 44.1 a bankruptcy order is made against that person;
- 44.2 a composition is made with that person's creditors generally in satisfaction of that person's debts;

- 44.3 a registered medical practitioner who is treating that person gives a written opinion to the Association stating that that person has become physically or mentally incapable of acting as a member and may remain so for more than three months;
- 44.4 by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
- 44.5 notification is received by the Association from the member that the member is resigning or retiring from office, and such resignation or retirement has taken effect in accordance with its terms;
- 44.6 that person is absent for more than twelve consecutive months without permission of the management committee from meetings of the management committee held during that period and the management committee resolves that his membership ceases; or
- 44.7 he is removed from membership by resolution of the directors whether to enable compliance with any provisions of article 39 or otherwise.
45. The management committee may meet together for the despatch of business, adjourn and otherwise regulate its meetings and proceedings as it may think fit and may determine the quorum necessary for the transaction of business. Until otherwise determined, one-half of the members of the management committee shall be a quorum.
46. The President shall take the chair at each meeting of the management committee and, if he is not present at the commencement of the meeting, the 1<sup>st</sup> Vice-President or 2<sup>nd</sup> Vice-President shall take the chair. If none are present at the commencement of the meeting, the members present shall select a chairman from those present for that meeting.
47. The President may at any time, and the Secretary shall upon the written request of the President or any three members of the management committee, convene a meeting of that committee. The notice of meeting shall state the character of the business to be discussed and only business of which notice has been so given shall be discussed at the meeting.

#### **Chief Executives' Committee Powers and Responsibility**

48. All members of the Association, who pay a membership levy as so referred to, shall be entitled to nominate one representative, eligible in accordance with article 8, to the chief executive committee. Each such nomination shall be in writing signed by a director or the secretary of the member and shall take effect on delivery to the secretary. A representative so nominated shall, subject to the provisions of article 8, continue to hold office until the nomination is revoked in a manner aforesaid and any such revocation may contain a fresh nomination by the member.

Only the informed nomination shall have the right to vote on policy matters at a committee meeting.

49. The chief executive committee may meet together for the despatch of business, adjourn and otherwise regulate its meetings and proceedings as it may think fit. Until otherwise determined by ordinary resolution, one-half of the members of the committee, representing at least one-half of the turnover in respect of which the annual levy is paid for the time being, shall be a quorum.
50. Questions arising at any meeting of the chief executive committee shall be decided by a majority in number, representing a majority of the turnover referred to in article 51, of the members present and voting. A resolution in writing signed, either in the form of a single document or as a number of documents, by all the members of the Committee for the time being, shall be as valid and effectual as if it had been passed as a meeting duly convened and held.
51. The chief executive (if any) of the Association shall ex officio be a member of the chief executive committee and (or, failing him, some person elected ad hoc by the committee), shall act as chairman at its meetings. A chairman shall not have a casting vote at any meeting of the committee.
52. The chief executive committee shall:
  - 52.1 exercise on behalf of the Association activities of a technical and promotional nature that will affect the policy and re-direction of the Association, and that which has previously been discussed in general meeting;
  - 52.2 exercise on behalf of the Association any other activities included in article 4 hereof, subject to any directions of the management committee or the Association in general meeting.
53. Intentionally blank.

#### **Product Group Committees' Power and Responsibility**

54. All members of the Association (other than affiliated members) who pay a membership levy shall be entitled to nominate a reasonable number of representatives to any/all of the above mentioned product group committees, but only one of such representatives may vote at any meeting of the committee. Each such nomination shall be made in like manner, and shall be subject to the like provisions for revocation and fresh nominations. The chief executive (if any) of the Association shall be entitled ex officio to be a member of any product group committee.

55. The procedure for each such product group committee shall be as set out in articles 59 to 51 inclusive, with the substitution of the relevant product group for the word "chief executive committee" where it occurs in the said articles, provided nevertheless that questions arising at any meeting shall be decided by a majority in number of the members present and voting.
56. The product group committee shall undertake in respect of their respective product groups such activities of the Association included in article 3 hereof as are of concern to such product group, within the limits of the funds provided by the relevant product group levy and subject to any directions of the Association in general meeting.

## **Part 4**

### **Members**

#### **Becoming and Ceasing to be a Member**

##### **Eligibility for Membership**

57. No person shall be elected to membership of the Association unless:
- 57.1 such person carries on itself or through a subsidiary company and as a business a Qualifying Business; and
- 57.2 the Qualifying Business so carried on has a physical place of business within the United Kingdom from which it provides an appropriately manned technical and field support facility to customers within the United Kingdom.
- 57.3 nothing in these articles shall be deemed in any way to create a partnership between any of the members of the Association, or to constitute any of such members the agent or agents of the others or other of them, or to confer on any of such members any further or other rights in respect of the business carried on by any other of the members than are herein expressly or by necessary implication conferred.
58. Where a corporate body is a subsidiary it shall not be elected a member of the Association unless its holding company and all other trading subsidiaries of its holding company which are in each case eligible for membership apply for membership at the same time (or are already members), provided nevertheless that the Association may waive the application of this requirement by special resolution.

##### **Election to Membership**

59. The members of the unincorporated association known as the Bathroom Manufacturers Association as at the date of transfer of the assets and undertaking of that association to the Association shall be deemed to have been admitted to membership of the Association.

Subject hereto, no person shall be admitted to membership unless an application shall have been furnished in writing to the Secretary on its behalf, setting out all such particulars as may from time to time be required by the management committee and including an undertaking that the applicant will, if elected, conform to and carry out all the obligations of membership.

60. Each such application shall be referred by the Secretary to the management committee and shall be considered by that committee, after it has made any such further enquiries, as it considers necessary to the Association in general meeting.
61. Each such application shall be considered by the management committee. If the application is approved by the management committee and the approval is ratified by the directors, the applicant shall be admitted to membership as from the date specified in the approval. If the application is not so approved, the applicant shall be notified in writing of the refusal together with the reasons for that refusal.
62. Within twenty eight days of service of notification of refusal the applicant shall be entitled to lodge an application against the refusal and the provisions of Schedule 2 to the articles shall apply. A person shall also be admitted to membership of the Association pursuant to and in accordance with the appeals procedure set out in Schedule 2.

#### **Rights and Obligations of Membership**

63. Each full member is entitled, through its authorised representatives, to attend all meetings of the Association and to speak and vote thereat and to nominate eligible representatives for membership of any elective committee of the Association.
64. A member, who considers that its interests have been or may be prejudicially affected by any activity undertaken or proposed to be undertaken by the Association or an officer thereof, may make representations to the management committee against the particular activity objected to, setting forth the grounds of its objection. The management committee shall deal with each such objection in accordance with article 91 hereof.
65. Every member of the Association shall be bound:
  - 65.1 To observe the provisions of Schedule 1 to the articles and to pay to the Association such joining fee (if any), annual or other levies as shall from time to time be fixed by the Association in a general meeting, such payments to be made at the times, in manner and subject to the conditions prescribed by the management committee or as determined in a general meeting.
  - 65.2 If so required as a condition attaching to the grant of membership, to pay the said levies for a minimum period of one and one-half years from the date of admission to membership, whether or not it remains in membership for that period.

- 65.3 In the event of a member or its auditors failing to furnish to the Association in due time any information required to enable the Association to assess the amount of any payment due under articles 61.1 and 65.2, to pay to the Association, such amounts as shall be due under a determination by the management committee of the basis on which a payment shall be provisionally levied on such member, any further payment due from the member or any repayment due to it to be made forthwith after the amount finally due shall have been ascertained.
- 65.4 To observe the provisions of the articles for the time being in force and not to engage in conduct or practices which is or are incompatible with the objects of the Association.
- 65.5 To treat, and to require its officers and employees to treat, all information obtained by virtue of membership and which is not the subject of common knowledge nor openly published elsewhere, as strictly confidential and not to be communicated either directly or indirectly to any person or corporate body not being a member of the Association without the written consent of the management committee, and to continue to abide by this provision in the event of its ceasing to be a member.
- 65.6 When required by the management committee, to furnish to the committee such information as it may reasonably require as to the member's continued eligibility for membership under articles 57 and 58.
- 65.7 To pay and make good to the Association any loss or damage which it may sustain through any wilful act or default of the member, being an act or default, which is a breach of the foregoing articles of this article.
- 65.8 To participate in such aspect or element of the statistical data collection undertaken by the Association for the benefit of its members as the Association shall from time to time reasonably require.

### **Termination of Membership**

66. The rights of a member shall not be transferable and shall, subject to the provisions of articles 110 to 116 hereof, wholly cease upon the member failing to pay any joining fee or annual levy within three months of its becoming due or in the event of a Receiver or Liquidator or other officer being appointed in respect of the whole or a substantial part of the member's undertaking under the laws of insolvency or in the event of a Deed or Arrangement or composition being made by the member for the benefit of its creditors or in the event of that member ceasing to carry on a Qualifying Business. No assignee or other person deriving his right, title or interest through any member, shall have any better claim to any benefit to which he may become entitled by virtue of such right, title or interest, than the member through whom he claims.

If any member fails for a consecutive period three months or more to comply with the provisions of article 65.8 the directors may be notice in writing to that member summarily terminate the membership of the Association of that member (without reimbursement of any subscriptions already paid and without prejudice to any liability to pay any outstanding subscription) whereupon that member's name shall be removed from the register of members.

67. Subject to the provisions of article 68 hereof, a member may resign its membership by giving notice in writing to the Secretary at least twelve months before the expiration of any financial year of the Association (or such shorter period as the directors may in any particular case agree).

Subject to the member paying, with such notice or by such later date as the management committee may determine, any unpaid levies due in respect of the current and previous years and any other contribution which the member shall have undertaken to make to the Association and also the levies for any subsequent year which the member shall on its election have given an undertaking to pay, the member shall cease to be a member at the expiration of such financial year.

68. No member shall be entitled to give notice of resignation until it shall have been a member for at least twelve months.
69. A member giving notice of resignation shall be bound to discharge all obligations of membership until such notice becomes effective under article 67.
70. On the termination of membership pursuant to a notice of resignation or otherwise, the members so resigning shall cease to have any interest in or claim on the Association or its funds unless otherwise determined by Special Resolution.

#### **Affiliate Members**

71. Any person who is not eligible for membership of the Association is eligible to be elected an affiliate member.
- 71.1 The provisions of articles 59 to 61 shall apply mutatis mutandis to the election of an affiliate member as they apply to the election of a member save that for the avoidance of doubt the management committee may in its absolute discretion and without giving any reason for it refuse to admit any person as an affiliate member and such person shall not accordingly be entitled to lodge an application against the refusal.
- 71.2 An affiliate member shall be entitled through its authorised representatives to receive notice of and to attend meetings of the Association but not to speak (without the permission of the chairman of the meeting) or vote thereat and shall be entitled to nominate representatives for membership of any elective committee of the Association.

- 71.3 An affiliate member shall be bound to pay to the Association such joining fee (if any), annual or other levies at such rates as shall from time to time be fixed by the Association in a general meeting, such payment to be made at the times, in manner and subject to the conditions prescribed by the management committee or as determined in a general meeting and if so required as a condition attaching to the grant of membership to pay the said levies for a minimum period of one and one-half years from the date of admission to membership, whether or not it remains in membership for that period.
- 71.4 The provisions of articles 65.4, 65.5, 65.7, 66, 67, 68, 69 and 70 shall apply mutatis mutandis to an affiliate member as they apply to a member.
- 71.5 Affiliate members shall be entitled to such benefits of membership as, and on such terms as, the management committee may determine or as may be determined by ordinary resolution of the members.
- 71.6 The provisions of articles 103 to 115 (inclusive) shall apply mutatis mutandis to an affiliate member as they apply to a member.

### **Honorary Officers**

72. At each annual general meeting, the Association shall elect a President, 1<sup>st</sup> Vice-President and 2<sup>nd</sup> Vice-President who shall normally hold office as such until the conclusion of the next Annual General Meeting. Notwithstanding the normal term of office, the President and/or Vice-President shall be eligible for re-election for a further one year term subject to the nomination being approved by members at a general meeting voting by ordinary resolution.
73. A President or Vice-President who has served a term of office under article 72 shall, on the expiry of that term, be eligible for appointment to any office other than that which he is then vacating, but (subject to article 72) no President or Vice-President shall be eligible for re-election to the office which he is then vacating until the third annual general meeting following that at which he vacated that office.
74. No person shall be eligible for election as President or Vice-President unless he is a director of a member of the Association or the sole principal of, or a partner in, a member of the Association or a person in the full time employment of any such member.
75. A President or Vice-President shall ipso facto vacate that office:
- 75.1 if he ceases to be a director of a member of the Association or the sole principal of, or a partner in, a member of the Association or a person in the full time employment of any member, or the corporate body of which he is such Director or full time employee ceases to be a full member of the Association;



- 75.2 a bankruptcy order is made against him;
- 75.3 a composition is made with his creditors generally in satisfaction of that person's debts;
- 75.4 a registered medical practitioner who is treating that person gives a written opinion to the Association stating that he has become physically or mentally incapable of acting as a member and may remain so for more than three months;
- 75.5 by reason of his mental health, a court makes an order which wholly or partly prevents him from personally exercising any powers or rights which that person would otherwise have;
- 75.6 notification is received by the Association from him that he is resigning or retiring from office, and such resignation or retirement has taken effect in accordance with its terms;
- 75.7 he is absent for more than twelve consecutive months without permission of the directors from meetings of the director held during that period and the directors resolves that he ceases to hold office; or
- 75.8 if, by ordinary resolution, he is removed from office.
76. Any casual vacancy in the office of President shall automatically be filled by the 1<sup>st</sup> Vice-President until the conclusion of the next annual general meeting. Any casual vacancy in the office of 2<sup>nd</sup> Vice-President will be referred to the management committee to make recommendations to the members on the action to be taken.

A person filling a casual vacancy under the provisions of this article shall, immediately thereafter, be eligible for election for a full term in accordance with article 72, notwithstanding the provisions of article 73.

### **Annual and Other Meetings**

77. The Association shall in each year hold a general meeting as its annual general meeting in addition to any other general meeting in that year and shall specify the meeting as such in the notices calling it. The annual general meeting shall be held at such time and place, as the management committee shall determine.
78. All general meetings other than annual general meetings shall be called extraordinary general meetings. At least three extraordinary general meetings shall be held in each year at such time and place, as the management committee shall determine. Other extraordinary general meetings shall be summoned by the Secretary on the instructions of the President or on receipt of a written request from any three full members of the Association. If the Secretary shall fail, within four days of receipt of such request, to summon an extraordinary general meeting the President or the members making such request may themselves summon the meeting in accordance with article 79.

## **Notice of Meetings**

79. An annual general meeting shall be called by twenty-one days' notice in writing at the least, and any other general meeting shall be called by fourteen days' notice in writing at the least. The notice shall be exclusive for the day on the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and hour of the meeting and, in the case of special business, the general nature of that business; and shall be given in any manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Association in general meeting, to such persons as are under the articles entitled to receive such notices from the Association.
80. The Secretary shall, on instructions from the President or, if he is absent from the United Kingdom, the Vice-President, summon an extraordinary general meeting by two clear days' notice if agreed by members holding between them not less than 90% of the total voting rights at that meeting.
81. The accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive such notice, shall not invalidate the proceedings at that meeting.

## **Business of the Meeting**

82. The business of an annual general meeting shall be:
- 82.1 To receive and consider the accounts of the Association for the last preceding financial year, the balance sheet at the end of that year, the reports of the directors and the management committee and the auditors, and any other accounts and report which, by any statute for the time being in force, require approval thereat.
- 82.2 To elect the President and Vice-Presidents for the ensuing year.
- 82.3 To elect directors and members of the management committee in place of those retiring or to fill vacancies.
- 82.4 To fix the rates of levy payable for the ensuing year.
- 82.5 To appoint auditors and to fix remuneration.
83. All other business transacted at an annual general meeting and all business transacted at any other general meeting shall be deemed special.
84. Subject to article 85 the President shall take the chair at every general meeting of the Association.

85. On the recommendation of the management committee or the directors or if any member of the Association duly represented at a general meeting shall so require, the President or, failing him, the Vice-President shall take the chair for the purposes of any item on the agenda which is the subject of any such recommendation or requirement.
86. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as herein otherwise provided, members entitled to one-quarter of the votes, which could be cast at the meeting in accordance with article 92, shall be a quorum. If within fifteen minutes from the time appointed for a general meeting, a quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same time and place and if, at such adjourned meeting, a quorum is not present within fifteen minutes from the time appointed for the meeting, those members who are present shall be a quorum and may transact the business for which the meeting was called.
87. The chairman may, with the consent of a general 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 the business left unfinished at the meeting from which the adjournment took place.
- If a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting; and save as aforesaid, it shall not be necessary to give notice of an adjournment or the business to be transacted at an adjourned meeting.
88. At any general meeting, a resolution of which notice has been given to members in accordance with the article, passed without dissent on a show of hands or, if so required by the chairman or by any full member on the declaration of the result on a show of hands, on a ballot by a simple majority to the votes (calculated in accordance with article 92) of those present and voting, shall bind every member of the Association.
89. A ballot demanded on the election of the chairman of the meeting, or on a question of adjournment, shall be taken forthwith. A ballot demanded on any other question shall be taken at such time as the chairman of the meeting directs, and any business other than that on which a ballot has been demanded, may proceed pending the taking of the ballot. The result of the ballot shall be deemed to be a resolution of the meeting at which the ballot was demanded.
90. A declaration by the chairman that, whether on a show of hands or on a ballot, a resolution has been carried, or carried by a particular majority, or lost, and an entry to that effect in the book containing the minutes of proceedings of the Association shall be conclusive evidence of the fact, without proof of the number of proportions of the votes recorded in favour of or against such resolution.

## Voting Rights

91. No chairman of a general meeting shall have a casting vote, either on a show of hands or on a ballot.
92. Each member of the Association who is eligible to vote and has complied with article 94 hereof shall be entitled to vote at any general meeting in accordance with the following scale:

<b>Turnover</b>	<b>Number of Votes per Member/Group</b>
Up to £10m	One
Over £10m	Two

or as otherwise determined by ordinary resolution.

For the purposes of this article:

- 92.1 The turnover figures shall be the member's aggregate turnover for the purposes of the levies for the last preceding calendar year.
- 92.2 Voting entitlements of a group of companies.

The voting entitlement of a group of companies which elects to take group membership and pay a levy based on total group turnover and nominates one or more of its trading entities as a separate member of the Association shall be determined by its total aggregate turnover, and not on its individual constituent companies or divisions. The group shall have one or two votes according to its total aggregate turnover.

When the members of a group of companies elect to join the Association as separate Members, each paying a levy based on its turnover, the turnover of each company determines the voting entitlement of each Member.

93. For the purposes of exercising its voting rights under article 92, both on a show of hands and on a ballot, each member shall, by notice to the Secretary, either generally or, in relation to a particular meeting, at least forty-eight hours prior to the commencement thereof, nominate a person to act as its duly authorised representative at general meetings and may, in addition, nominate an alternate or alternates to vote in his absence. Any such nominations may from time to time be revoked or varied by the member and the Secretary shall maintain a register of current nominations and shall lay the same on the table at every general meeting. Each such nomination, revocation or variation shall be signed by a director or the secretary of the member.

Any number of authorised representatives of a member may attend any general meeting, but if more than one such representative shall be present, only the nominated representative present, whose name appears first on the Register of current nominations, may vote.

## **Organisation of General Meetings**

### **Attendance and Speaking at General Meetings**

- 94.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 94.2 A person is able to exercise the right to vote at a general meeting when—
- 94.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
- 94.2.2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 94.3 The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- 94.4 In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- 94.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

### **Quorum for General Meetings**

95. No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

### **Chairing General Meetings**

- 96.1 If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.
- 96.2 If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start—

96.2.1 the directors, or

96.2.2 (if no directors are present), the meeting,

must appoint a director or member of the Association to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

96.3 The person chairing a meeting in accordance with this article is referred to as “the chairman of the meeting”.

### **Attendance and Speaking by Directors**

97.1 Directors may attend and speak at general meetings, whether or not they are members of the Association.

97.2 The chairman of the meeting may permit other persons who are not members of the Association to attend and speak at a general meeting.

### **Adjournment**

98.1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.

98.2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if:

98.2.1 the meeting consents to an adjournment, or

98.2.2 it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

98.3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.

98.4 When adjourning a general meeting, the chairman of the meeting must—

98.4.1 either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and

98.4.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

98.4.3 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days’ notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)—

98.5.1 to the same persons to whom notice of the company's general meetings is required to be given, and

98.5.2 containing the same information which such notice is required to contain.

98.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

### **Voting at General Meeting**

#### **Voting and Poll Rates**

99. A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the article.

100.1 A poll on a resolution may be demanded:-

100.1.1 in advance of the general meeting where it is to be put to the vote, or

100.1.2 at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

100.2 A poll may be demanded by:-

100.2.1 a chairman of the meeting;

100.2.2 the directors;

100.2.3 two or more persons having the right to vote on the resolution; or

100.2.4 a person or persons representing not less than one tenth of the total voting rights of all the members having the right to vote on the resolution

100.3 A demand for a poll may be withdrawn if:-

100.3.1 the poll has not yet been taken, and

100.3.2 the chairman of the meeting consents to the withdrawal.

100.4 Polls must be taken immediately and in such manner as the chairman of the meeting directs.

#### **Errors and Disputes**

101.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

101.2 Any such objection must be referred to the chairman of the meeting whose decision is final.

## **Discipline and Grievances**

### **Disciplinary Action**

102. Disciplinary action may be taken by the Association against any member who commits any serious or persistent breach of any provisions of these articles or any regulation of the Association for the time being in force or otherwise acts in a manner contrary to the interests of the Association, PROVIDED that, except in respect of non-payment of any entrance fee, annual levies or other contributions due from such member of the Association, no member shall be subjected to any disciplinary action by the Association unless the member:
- 102.1 has been given written notice of the complaints against it and has been given a reasonable time to prepare its answers to those complaints;
  - 102.2 is afforded a full and fair hearing; and
  - 102.3 is furnished with a written statement of the findings resulting from such hearing.
103. In particular, but without prejudice to the generality of the last preceding article, a member shall not be expelled from the Association unless reasonable notice has been given to the member that the complaints against it, if proved, may render it liable to expulsion.
104. No restriction shall be placed on any member of the Association in respect of its instituting or defending proceedings before any Court or Tribunal or giving evidence in any such proceedings.
105. Any complaint against a member falling within the scope of article 102 may be made by any other member or by an officer of the Association by notice to the Secretary, who shall refer the same to the management committee.
106. The management committee shall furnish to the member in respect of whom the complaint is made, notice of the complaint made against such member and of the date, time and place at which the management committee will hear the complaint, affording reasonable time for the member to prepare its defence.
107. On the hearing of a complaint by the management committee the case against the member shall be presented by the complainant or by an officer of the Association (as the committee may decide) and the member complained against shall be entitled to present its answer to the complaint either by a director or by a full time employee of the member.



108. A written statement of the findings of the management committee resulting from such hearing, and of any disciplinary action recommended by the committee in the event of its' determining the complaint to be well founded, shall be furnished to the member.
109. A member who is so found to have been in breach of any of its obligations under the articles shall be liable:
- 109.1 to pay to the Association such sum as shall, in the opinion of the management committee, represent the loss or damage to the Association caused by the acts complained of; and/or
- 109.2 to have its membership suspended in manner specified in article 111; and/or
- 109.3 to be expelled from the Association.

### **Suspension**

110. Suspension of membership for breach of obligations may be for a fixed period or may be for a period expressed to terminate (in the case of a breach which is capable of remedy) upon the breach being remedied to the satisfaction of the management committee. During a period of suspension, the member concerned shall not be entitled to receive notice of any general meeting of the Association nor to any of the other benefits of membership, but shall nevertheless be subject to the obligations imposed by article 65.
111. Upon the termination of a fixed period of suspension, the member concerned shall again become entitled to all the rights of a member; but in the case of a period of suspension expressed to terminate upon the breach being remedied to the satisfaction of the management committee, if the breach shall not be so remedied within such period as the committee shall recommend, and such recommendation shall be confirmed by a Special Resolution as provided by article 98, the committee may at any time after the expiration of that period direct the Secretary to serve on the member concerned not less than fourteen days' notice to remedy the breach, and if such notice shall not be complied with, the member concerned shall on the expiration thereof be deemed to be expelled from the Association.

### **Expulsion**

112. A member who is expelled from the Association shall automatically cease to have any rights under the articles, and shall cease to have any rights, title or interest in any funds or property of the Association, unless otherwise determined by Special Resolution; but any such member shall continue to be under the obligations contained in articles 65 and 110.1.

## **Ratification of Suspension or Expulsion**

113. Notwithstanding the foregoing provisions, no recommendation of the management committee involving the suspension or expulsion of a member shall take effect until the same have been confirmed by a special resolution or if applicable the appeals procedure referred to below has been exhausted. The management committee shall give the suspended or expelled member notice of the special resolution within seven days of the passing of the same and the suspended or expelled member shall be entitled to invoke the appeals procedure of the Association set out in Schedule 2 to the articles.
114. Subject to article 114, any grievance arising under article 64 shall be notified to the Secretary who shall refer the same to the management committee. The provision of articles 102 to 110 hereof as to complaints against a member shall apply, mutatis mutandis, to the determination of any such grievance on the part of a member; and the aggrieved member may require the findings and recommendations of the management committee to be referred to a general meeting for confirmation or otherwise by ordinary resolution.

## **Proxies**

### **Content of Proxy Notices**

- 115.1 Proxies may only validly be appointed by a notice in writing (a “proxy notice”) which:
- 115.1.1 states the name and address of the member appointing the proxy;
  - 115.1.2 identifies the person appointed to be that member’s proxy and the general meeting in relation to which that person is appointed;
  - 115.1.3 is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine; and
  - 115.1.4 is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.
- 115.2 The Association may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 115.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- 115.4 Unless a proxy notice indicates otherwise, it must be treated as—
- 115.4.1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and

115.4.2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

### **Delivery of Proxy Notices**

116.1 A person who is entitled to attend, speak or vote at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.

116.2 An appointment under a proxy notice may be revoked by delivering to the Association a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.

116.3 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.

116.4 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointer's behalf.

## **Part 5**

### **Reserves**

117.1. Any sums received by the Association and not immediately required to be expended for any of its objects may, at the discretion of the directors, be invested in or upon the security of such investments, securities or property as are for the time being authorised by law for the investment of trust funds; and the net dividends, interest and income on any such investments, securities or property, after payment of tax, shall be added to the Association's funds.

117.2 The directors may from time to time recommend to a general meeting that any part of the funds of the Association be placed to a special account for the purpose of meeting future expenditure which it is then intended or reasonably expected that the Association will incur. The directors may similarly recommend that sums be re-transferred from a special account when they are of opinion that any amount of standing to the credit of such account will not be required for the purpose for which the account was created.

## **Part 6**

### **Administrative Arrangements**

#### **Means of Communication to be Used**

- 118.1 Subject to the articles, anything sent or supplied by or to the Association under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company.
- 118.2 Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by the management committee may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.
- 118.3 A director may agree with the Association that notices or documents sent to that member in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than forty eight hours.

#### **Association Seals**

- 119.1 Any common seal may only be used by the authority of the director.
- 119.2 The directors may decide by what means and in what form any common seal is to be used.
- 119.3 Unless otherwise decided by the directors, if the Association has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.
- 119.4 For the purposes of this article, an authorised person is:
- 119.4.1 any director;
- 119.4.2 the company secretary (if any); or
- 119.4.3 any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

#### **No Right to Inspect Accounts and Other Records**

120. Except as provided by law or authorised by the directors or an ordinary resolution of the Association, no person other than a member of the management committee is entitled to inspect any of the Association's accounting or other records or documents merely by virtue of being a member of the Association.

### **Provision for employees on cessation of business**

121. The directors may decide to make provision for the benefit of persons employed or formerly employed by the Association or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Association or that subsidiary.

### **Indemnity**

122.1 Subject to article 123.2, a relevant director or director of an associated company may be indemnified out of the Association's assets against—

122.1.1 any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the Association or an associated company,

122.1.2 any liability incurred by that director in connection with the activities of the Association or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),

122.1.3 any other liability incurred by that director as an officer of the Association or an associated company.

122.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

122.3 In this article:

122.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

122.3.2 a “relevant director” means any director or former director of the Association or an associated company.

### **Annual Accounts, Reports and Audit**

123. The directors shall cause to be prepared and laid before the members in general meeting a revenue account, balance sheet and any other account for the time being required by law. Each such Account shall give a true and fair view of the matters to which it relates.

124. Each such revenue account, balance sheet and other account shall be audited by a qualified auditor appointed by the members in general meeting, and a qualified auditor so appointed shall be re-appointed for each subsequent year of account unless:

124.1 a resolution has been passed by the Association in general meeting appointing some other auditor or auditors or providing expressly that he shall not be re-appointed; or

- 124.2 he has given to the Association notice in writing of his unwillingness to be re-appointed; or
- 124.3 he is ineligible for re-appointment as auditor for the current year of account; or
- 124.4 he has ceased to act as auditor by reason of incapacity.

PROVIDED that where notice is given of an intended resolution to appoint some person or persons in place of a retiring auditor and the resolution cannot be proceeded with at the meeting because of the death or incapacity of that person or persons, or because he or they are ineligible for appointment as auditor or auditors for the current year, the retiring auditor shall not be automatically reappointed by virtue of this article.

125. Every auditor for the time being shall:

- 125.1 have the right to access at all time to the Association's accounting records and to all other documents relating to its affairs;
- 125.2 be entitled to require from its officers such information and explanation as he thinks necessary for the performance of his duties as auditor;
- 125.3 be entitled to attend all general meetings of the Association and to receive all notices of and other communications relating to a general meeting which a member is entitled to receive;
- 125.4 be entitled to be heard at any meeting that he attends, on any part of the business of the meeting that concerns him as auditor.

126. The Secretary, acting on instructions of the directors, shall furnish such annual returns to such persons as may from time to time be required by law.

127. The directors shall also cause to be prepared an annual report of the Association which shall comply with all legal requirements for the time being in force and copies of such report shall be furnished to all members and to the auditor or auditors for the time being, with the annual accounts of the Association.

### **Insurance**

128. The directors may decide to purchase and maintain insurance, at the expense of the Association, for the benefit of any relevant director in respect of any relevant loss.

129. In this article:

129.1 a "relevant director" means any director or former director of the Association or an associated company,

- 129.2 a “relevant loss” means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the Association, any associated company or any pension fund or employees’ share scheme of the Association or associated company; and
- 129.3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

### **Winding Up**

130. On a winding up of the Association, the members may, by special resolution direct how the assets (if any) available for distribution after payment of all the Association's liabilities and expenses, shall be disposed of; and subject to any such resolution, the assets so available for distribution shall be divided amongst the members at the date of the resolution in proportion to the amounts paid by them by way of annual levy during the last three complete financial years of the Association prior to the date of the resolution. With the approval of a special resolution, any such distribution may be made wholly or partly in specie and the directors may for such purpose cause valuations to be made, such valuations to be binding on all members.

## SCHEDULE 1

### LEVIES PAYABLE BY MEMBERS

1. Levies payable by members shall, until otherwise determined by ordinary resolution, be based on turnover.
2. "Turnover" means the amounts charged for Bathroom Equipment sold by members during each financial year of the Association (excluding sales tax or value added tax and charges for carriage and packing), with a deduction for the actual costs during the year of:
  - 2.1 Bathroom Equipment purchased from other members for processing and/or resale;
  - 2.2 allowances for packages returned;
  - 2.3 allowances for Bathroom Equipment returned, overcharges and the like;
  - 2.4 cash discounts allowed; and
  - 2.5 deferred rebates allowedand water fittings, for the purposes of this Schedule shall include all types of terminal water fittings irrespective of their intended use.
3. A return of turnover shall be furnished by each member to the Secretary, at such times and in such form as shall be prescribed by the directors, for each financial year. Each such return shall be accompanied by a certificate by a qualified accountant, certifying the accuracy of the member's return of turnover.
4. Except so far as disclosure of information received under this Schedule of the Secretary is necessary for the proper discharge of his duties to the Association, he shall use his best endeavours to ensure that such information remains confidential.
5. The following levies shall be payable by each member:
  - 5.1 **Joining Fee**

New members of the Association shall pay a joining fee, if deemed necessary by the management committee and ratified by the directors and ordinary resolution of the members.
  - 5.2 **Levy Bands**

For each member, in its last preceding financial year, sold such products in the United Kingdom, a levy based on its total turnover of Bathroom Equipment sold shall be paid.



<b>Total Turnover in Bathroom products</b>	<b>Membership Subscription</b>
Up to £2 million	£2,600
£2 - £5 million	£3,700
£5 - £10 million	£5,700
£10 - £20 million	£8,300
£20 - £30 million	£11,500
£30 - £40 million	£17,600
£40 - £60 million	£23,000
Over £60 million	£28,000

5.3 The joining fee shall be payable in full, together with the first half year levy immediately upon notification of acceptance into Association membership. Levies shall thereafter be payable on or before the last days of January and July.

6. Promotional Levy

The chief executive committee, referred to in articles 48 to 53 (inclusive), may recommend to the Association from time to time the raising of a Promotional Levy upon members of the Association. The size and frequency will be established by the Association on the recommendation of the chief executive committee.

## SCHEDULE 2

### Part 1

1. This is the procedure to resolve a disagreement ("Dispute") between the Association on the one hand and on the other hand any person in the following categories:

- an applicant for membership of the Association whose application has been refused;
- a member of the Association; or
- a member who has been suspended or expelled from the Association under Rule 82;

In this procedure any person within any of the above categories is referred to as "Complainant".

2. Applications by a Complainant for a decision must be made in writing, signed by or on behalf of the Complainant and sent to the Association. The application must contain:

- the full name and address; and
- a statement as to the nature of the disagreement with sufficient details to show why the Complainant is aggrieved.

3. The complaint will initially be considered by the management committee.

4. The decision of the management committee will be notified to the Complainant in writing within two months of the date on which the application was received. The notice of the decision will include:

- a statement of the decision;
- a reference to any legislation relied upon;
- a reference to any part of the Constitution relied on; and
- a reference to the Complainant's right to refer the disagreement to an expert for a decision in accordance with Part 2 of this Schedule.

5. If, in any case, a written notice of a decision is not given within the two months, an interim reply will be sent to the Complainant setting out the reasons for the delay and an expected date for issuing the decision.

6. At any time within one month from the date of the notice of a decision, a Complainant may give notice that they wish the disagreement to be determined by an expert in accordance with Part 2 of this Schedule.

## **Part 2**

### **Appointment of Expert**

1. CEDR Solve shall appoint the Expert to resolve the Dispute acting as an expert and not as an arbitrator ("Expert Determination").

### **Purpose of Expert Determination**

2. Unless the Association and the Complainant (together "the Parties") subsequently agree otherwise the Expert Determination will lead to a decision ("the Decision") being issued by the Expert. The Decision will be final and binding on the Association and the Complainant.

### **Confidentiality**

3. The Expert Determination process will be private and confidential. The Parties, the Expert and CEDR Solve will keep it confidential except to the extent that it is necessary in order to implement the Decision or is required by law.

### **Independence**

4. The Expert and CEDR Solve will be independent of the Parties, neutral and impartial, and do not act as advisers to the Parties.

### **Conduct of Expert Determination**

5. The Expert will conduct the Expert Determination in accordance with procedural directions which the Expert will seek to agree with the Parties. If they cannot be agreed, the Expert's directions will prevail.

### **Challenge to the Procedure**

6. The Parties agree that they are not permitted to challenge the Expert's rulings on issues arising during the procedure including those of the Expert's own jurisdiction.

### **Mediation Option**

7. At any time before the issue of the Expert's decision the Parties may agree to refer the Dispute to mediation, in accordance with CEDR's Model Mediation Procedure. In that case each of the Parties notify the Expert and CEDR Solve, and the Expert Determination is suspended. If the dispute is settled by mediation, the Expert Determination comes to an end and the Parties settle the fees and expenses of the Expert and of CEDR Solve. If the dispute is not settled by mediation, the Expert Determination resumes, and if they have been acting as mediators the Expert may take up his previous role.

### **Reasons in the Decision**

8. The Decision of the Expert shall not include reasons.

### **Interest**

9. The Expert is empowered to award interest as part of the Decision.

### **Fees and Expenses**

10. Unless the Parties agree otherwise, or the Expert otherwise determines, the fees and expenses of the Expert Determination will be borne by them in equal shares. The fees and expenses will be estimated by CEDR Solve and paid to CEDR Solve by the Parties in equal shares or as the Expert otherwise determines and the Parties shall enter such Expert Determination agreement as the Expert shall require as conditions precedent for the Expert Determination to start. The Expert will be paid fees and expenses. Interim bills may be raised by CEDR Solve to cover the Expert's fees at the Expert's option. A final account of the fees and expenses will be sent to the Parties by CEDR Solve when the Decision is ready for issue to the Parties and the Decision will be released on payment by the Parties of any further amounts due. CEDR Solve will reimburse the Expert. If the Parties agreed not to proceed with Expert Determination, CEDR Solve will refund a proportionate amount of the fees and expenses advanced, depending on the amount of work done by the Expert and CEDR Solve.

### **Implementation of the Decision**

11. The Parties agree to implement the Decision within seven days of its being published to them.

### **Challenge to the Decision**

12. The Parties agree they are not permitted to challenge the Decision in any legal proceedings or otherwise.

### **No Liability**

13. The Parties expressly acknowledge that neither the Expert nor CEDR Solve shall be liable to the Parties for any act or omission whatsoever in connection with any Expert Determination.

### **Role of CEDR Solve**

14. CEDR Solve appoints the Expert. The Expert is responsible for the procedure from then on. CEDR Solve may be consulted by any of the Parties to this Agreement in case of difficulty. Should the Expert be unable to complete the task, CEDR Solve will appoint a substitute Expert with a reasonable time.

### **After the Decision**

15. None of the Parties will call the Expert or CEDR Solve (or any employee, consultant, officer or representative of CEDR Solve) as a witness, consultant, arbitrator or expert in any litigation or arbitration in relation to the Dispute and the Expert and CEDR Solve will not act voluntarily in any such capacity without the written agreement of the Parties.

### **Law and Jurisdiction**

16. This procedure and the agreement governing it shall be governed by English law and under the jurisdiction of the English courts. All the Parties to this Agreement agree to refer any dispute arising in connection with it to mediation first.