

**FMB Company Number 00368163**

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[Headline]

Rules  
of the Federation of  
Master Builders Limited ('FMB')

[Small font on bottom left hand side] September 2021

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## DEFINITIONS AND INTERPRETATION

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In these Rules, unless inconsistent with the subject or context, the words in the column headed “**WORDS**” below will have the meaning set opposite to them in the column headed “**MEANINGS**”. Definitions which are set out in the Articles apply to the Rules also.

<b>WORDS</b>	<b>MEANINGS</b>
AGM	means Annual General Meeting.
Articles	means the Articles of Association of FMB.
FMB Board	means the Board of legal Directors of FMB.
Casting Vote	means the Chair's vote, which is cast to break a tied position and achieve a decision. The Chair will not otherwise vote, but the Chair's participation in a meeting will count towards the quorum.
Companies Act	means the Companies Act 2006.
EGM	means Extraordinary General Meeting.
In 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.
Meeting	means a meeting of two or more parties in person or virtually.
Member	means the company, partnership, sole trader or other type of construction business which is a member of FMB.
Month	means a Calendar Month.
Position Holder	means a Member elected or appointed to hold National or Area Office.
Presidential Team	means the National President, the National Vice-President and the Immediate Past-President.
Quorum	means the minimum number of voting Members who must be present (physically or virtually) at a Meeting to make the proceedings of that Meeting valid. The required quorum will be rounded up. For example, for an Area Board of eight members, a two thirds quorum would be 6.
Rules	means the Rules of FMB.
Staff	means paid employees of FMB carrying out the executive functions of the Board.
UK Areas	means the areas of England (Central, South West, Southern Counties, London, North West, Northern

	Counties, Yorkshire and Trent), Scotland, Wales and Northern Ireland.
UK Area Board	means the board in each UK Area.
Year	means a Calendar Year.

In the case of any inconsistencies between any provision of these Rules and the Articles, the Articles will prevail.

## **PART I: MEMBERSHIP**

### **Membership Criteria**

1. The Board has the power to set the criteria and processes for managing membership, and can delegate powers for day to day operation of these to the FMB's Staff.
2. A business must meet the criteria for membership which are approved by the Board, in order to be accepted into membership and to remain in membership. Details of current criteria are available on request.
3. In cases when an application for membership is rejected, or where a current Member no longer meets the criteria for membership, and their membership must therefore be terminated, the applicant or Member will be informed and advised of their right to request a review of that decision.
4. All decisions about membership will be communicated to the responsible owners or directors of the business in writing, within five working days, in line with the provisions set out in Rule 78.
5. Where false information in relation to membership is found to have knowingly been supplied, the membership will be terminated, and the Member advised of their right to request a review of that decision.

### **Membership Types**

6. **Member**, as defined in section 112 of the Companies Act 2006, includes the subscribers of a company's memorandum and articles of association who are deemed to have agreed to become members of the company, and must be entered as such in its register of members. The FMB will maintain an accurate database of all Members, which will comply with FMB's Privacy Policy.
7. The Board has the power to set classes of membership, and to delegate powers to the Staff to operate these on a day to day basis.
8. **Retired Membership** is available for individuals who are no longer actively engaged in the construction industry but wish to support the aims of the FMB. Retired Members are entitled to receive FMB communications, but are not entitled to vote or hold office on any FMB Board. A subscription of less than 25% of full membership will be charged for a Retired Member.
9. **Honorary Fellow:** where the Board considers that an individual has given outstanding exemplary service to FMB, the Board can, at its sole discretion, award Honorary Fellowship of the FMB. This award can be proposed to the Board, following a majority vote at a UK Area Board. The Board will communicate its decision on the approval of the Honorary Fellowship, to the relevant UK Area Board and proposed Honorary Member in writing within ten working days. Honorary Fellows of the FMB will be presented with a certificate at a subsequent National or Area AGM, according to their preference. Honorary Fellows are not charged subscriptions and do not have access to all of the benefits and rights of Members under Rules 20 - 26, but will receive communications from FMB. Honorary Fellowship is awarded for life, unless decided otherwise, at the absolute discretion of the Board. Honorary Fellowship is separate from an individual's business membership, which will be subject to the normal membership criteria, obligations and rights of FMB membership, including the right for an individual who is an Honorary Fellow to be elected to an FMB office, through their separate business membership.

### **Membership Policies and Procedures**

#### **UK Area Membership**

10. Each Member will be allocated to the UK Area within which their main contact address is situated. A Member may submit an application to the Board to be reallocated to a different area, explaining the reason for this request, which will be decided on a case by case basis.

### **Transfer of Membership**

11. Members cannot transfer their FMB membership from one business to another in any circumstances, even when the new business is under the same ownership.

### **Change of Business Name**

12. Only the business named in the FMB Membership records is entitled to receive the benefits and rights of Membership. If the directors or owners of a Member business wish to change the legal or trading name of the business registered with the FMB, they must apply to FMB. The Member business will be asked to supply the proposed new business details, and the reasons for the change. Checks (including financial) will then be carried out. If an application for such a change is rejected because the new business does not meet the FMB's criteria, the membership will be terminated, the business will be informed in writing within five working days of that decision, and advised of their right to reapply. Registered limited companies and LLP's can apply to Companies House to change their name. In this case a copy of their Certificate of Incorporation on Change of Name, issued by Companies House must be provided to the FMB.

### **Subscriptions**

13. The Board has the power to agree subscriptions and application fees, and to review these from time to time.
14. The subscription payable by the Member becomes due on the date of admission to membership, and is renewable on the same date annually. Subscriptions can be paid monthly or annually, and are not refundable in any circumstances, except by agreement of the Board.

### **Member Obligations**

15. Members must supply up to date contact details to the FMB and respond to any other reasonable requests for information from the FMB.
16. Members must comply with all mandatory requirements of membership, including supplying details of work for inspection, and responding in writing in a timely manner to any complaints submitted to FMB by their clients.
17. Members must immediately notify FMB of any changes within their business, such as changes of directors or owners, or change of legal status and apply to FMB with regard to changes of legal or trading name. See Rule 12 above. FMB reserves the right to terminate a membership where such a change means that the business no longer meets FMB's criteria.
18. By joining the FMB, every Member is bound to promote excellence and good practice in the construction, repair and maintenance of buildings, and to promote fair practice in business.
19. Every Member must observe and comply with these Rules, and with the FMB Code of Conduct.

### **Member Benefits and Rights**

20. Every Member will enjoy the benefit of membership services relevant to their type of membership, as agreed by the Board.
21. Every Member will enjoy the benefit of collective action by the FMB to safeguard their interests.
22. Every Member will be entitled to use the official current branding as supplied by the FMB, relevant to their type of membership, and in line with FMB guidelines. Such branding and any claims to membership must be removed immediately as soon as a business ceases to be a Member, for whatever reason.
23. Every Member is entitled to receive communications from the FMB.
24. Every Member is entitled to be listed on the FMB website as a member.
25. Every Member is entitled to vote, and to participate in the governance of their UK Area, and in FMB national elections.
26. Members will be provided with opportunities to share their opinions on business issues within their UK Area or nationally, via surveys and other fora to contribute to development of FMB policy.

### **Ceasing to be a Member**

27. A Member may resign from membership by giving thirty days' notice to FMB in writing. No subscriptions will be refundable in this case.
28. A Member will cease to be a Member immediately if their business ceases to trade, whether by liquidation, bankruptcy, winding up or any other form of company dissolution.
29. A Member will cease to be a Member immediately upon the death of the responsible owner of the business, whether that be a sole trader or sole director of a limited company.
30. A Member will cease to be a Member immediately upon non-payment of subscriptions for three calendar months in which case, membership cannot be reinstated automatically and the business must re-apply for membership. Any such Members will not be able to show continuous membership from their original joining date, but only from the new joining date. All arrears, and an application fee will be payable upon re-joining.
31. Individuals who are directors of member companies or are sole traders who simply cease to trade due to retirement from business are entitled to apply for Retired Membership as set out in Rule 8, above.

### **Termination and Suspension of Membership**

32. If anyone alleges that a Member:
  - a. has committed a serious breach of any of these Rules, the FMB Code of Conduct or any other regulations of FMB which are in force at the time; and/or
  - b. has, or is likely to, bring FMB into disrepute in any other way;
  - c. the procedure set out in the FMB Code of Conduct will be followed. This may result in the matter being referred to the FMB Standards Committee for consideration under its Terms of Reference.
33. A Membership may be suspended where there is a reasonable expectation that continued membership poses a high risk to the FMB's reputation. Suspension means temporary removal of all benefits and rights of membership as set out under Rule 20-26, except for the right to display the FMB logo. Suspension will be reviewed each month, until a decision on continued membership has been made, up to a maximum of three months. Subscriptions remain payable during suspension.
34. Notification of all Standards Committee decisions will be provided to a Member in writing after the relevant meeting of the Committee, at the latest within five working days. This notification will include details of the right to appeal the decision.
35. An appeal against the Standards Committee's decision may be made to the Appeals Committee, if there is substantial new information which was not available at the time of the Committee's consideration, or if it is alleged by the expelled Member that the relevant procedure was not followed.
36. An expelled Member cannot re-apply for membership until a five year period has elapsed. This applies to all directors of the expelled business, even where they have incorporated new businesses with other directors. Notice of expulsion will be published on the FMB website.
37. If a Member resigns their membership after receiving notice of being required to attend a Standards Committee meeting under Rule 32, above, but before the meeting has taken place, a note of that member having resigned whilst under investigation can be published on the FMB website.

## **PART II: ORGANISATION OF UK AREA BOARDS**

### **Establishing UK Area Boards**

- 38 The FMB Board, subject to approval at the National AGM, has the power :
- a. to establish or dissolve any UK Areas;
  - b. to define the respective geographical areas with reference to which such UK Areas will operate;
  - c. to determine the terms of reference and procedures for the operation of UK Areas.

### **Policies and Procedures: UK Area Boards**

39. In accordance with the FMB Rules, a UK Area Board is responsible for:
- a. **Engagement:** providing a forum for members to discuss issues affecting the construction sector.
  - b. **Representation:** providing a forum to represent Members' interests in the UK Area and for recommendations to be made to the FMB Board.
  - c. **Governance:** electing an Area Board Member as an FMB Board representative (who will become a legal Director of the FMB) and implementing the policies and decisions of the FMB Board.
40. Each UK Area Board will consist of:
- a. Members elected by the UK Area's AGM or EGM;
  - b. the UK Area President, who acts as Chair, and a Vice-President;
  - c. an FMB Board representative.
41. In each UK Area, any Member may put their name forward for election to the UK Area Board when an election is held. A Member wishing to sit on the UK Area Board must be one of the following: a Director of a Limited Company which is a current member of the FMB, a Partner in an LLP which is a current member, a sole trader who is registered as a current FMB member, or a senior employee of one of the above.
42. The UK Area Board will have power to co-opt a maximum of two external industry stakeholders (Co-opted persons or CPs) to the UK Area Board. CPs do not have voting rights.
43. A CP will be nominated by a UK Area Board member and elected by a majority vote of the UK Area Board at any UK Area Board meeting. In the event of a tie between nominees, then the Chair will call for a decision by a show of hands from those present or by ballot should this be requested.
44. The maximum number of Members to sit on the UK Area Board will be fourteen (not including CPs) and the minimum must be eight. The quorum necessary for the transaction of business of the UK Area Board is two-thirds of voting Members, rounded up, including the Chair. For example, for an Area Board
45. The Members of the UK Area Boards, including CPs, will sit for a fixed term of two years.
46. Every two years at the first meeting after the relevant AGM, the UK Area Board will elect its three position holders: a UK Area President/Chair; a Vice-President and a representative to sit

on the FMB National Board, who will become a Director of the FMB. These positions should be held by separate individuals to avoid any conflict of interest.

47. UK Area or National Position Holders do not have an automatic right to remain on the UK Area Board after their two-year term has ended, and must be re-elected upon the expiry of each two year term.
48. The FMB will allocate a paid staff member for each UK Area, who will attend UK Area Board meetings with the option of other relevant staff members and the National President also attending.
49. Each UK Area Board has the power to convene meetings in accordance with the Rules. At least five working days' notice in writing of all meetings must be given to all Members of the UK Area Board, together with the agenda and relevant papers for discussion. The UK Area Board will meet at least twice in any calendar year.
50. Any UK Area Board member may propose a resolution for submission to the FMB Board. The resolution requires a seconder and must gain a majority vote for it to be adopted by the UK Area Board.
51. The Chair has no vote except in the event of a tie, when they will use their Casting Vote.
52. All UK Area Board members are bound by the terms of the FMB Code of Conduct.
53. If a Member, including a CP, is absent for more than three consecutive Area Board meetings, unless the absence is due to illness or any other reason approved by the Area Board, the Area Board will have the discretionary power to ask the Member to stand down.

#### **UK Area AGMs**

54. Each UK Area will hold its AGM before 30 June. All Members in the relevant UK Area will be notified in writing ten working days in advance.
55. The purpose of the UK Area AGM is:
  - a. to confirm the minutes of the previous AGM for that UK Area;
  - b. to carry out the business of the agenda of which notice has been given as in Rule 57;
  - c. every year, to elect Members to fill the vacancies on the UK Area Board for a two year period
  - d. to allow every Member in the UK Area an opportunity to raise business issues affecting the FMB, through their UK Area Board Members.
56. Voting for all items on the agenda will be in advance by electronic voting or in person at the meeting. Members must not vote both electronically and in person.
57. Every Member designated to the relevant UK Area will be given at least ten working days' notice in writing of the date and place of and the specific nature of the business to be transacted at every UK Area AGM, and any EGM of their UK Area, and such notice may be given through FMB's magazine or website.
58. The quorum for a UK Area AGM, and any EGM, of a UK Area will be eight Members designated to that UK Area. The quorum includes members attending and voting in person or electronically. The quorum also includes the Chair.
59. The FMB will invite applications from Members in a UK Area for vacancies on the Area Board no later than twenty working days before the UK Area AGM. Any Member wishing to put

themselves forward for election should then submit their application through the approved FMB process.

60. When electing Members to the UK Area Board at an AGM, if more members have put themselves forward than there are vacancies on the Board, or in the event of a tie between Members standing for election, the Chair will call for a decision by a show of hands from those present or by ballot should this be requested. The Chair of the AGM has the casting vote. The vote must take into consideration any votes cast by advance postal votes, by electronic voting or by proxy.
61. The UK Area Position Holders will be the Area President (Board Chair), Area Vice-President and elected FMB Board Representative Director. A Member must serve at least one year on the UK Area Board before they are eligible to be elected as a Position Holder.
62. The President of the UK Area will chair the UK Area AGM and any UK Area EGM. In their absence the Vice-President of that UK Area will chair, failing which the meeting will elect one of the other UK Area Board Members as Chair of the meeting.

### **UK Area EGMs**

63. An EGM of a UK Area may be convened at any time at the request of:
  - a. the UK Area Board; or
  - b. at the written request of any twenty Members designated to that UK Area.
  - c. The FMB Board, where Rule 67 applies.
64. The business of an EGM of a UK Area is to consider any emergency motion(s) on general policy within that UK Area, that cannot wait for an AGM.
65. The rules with regard to quorum, voting and Chairing of a UK Area EGM are the same as those set out for the UK Area AGM, in Rules 56-62.

### **UK Areas: Ability to Conduct Business**

66. In order to conduct business, a UK Area must both:
  - a) achieve the minimum of eight elected Area Board Members set out in Rule 44, and;
  - b) achieve the specified quorum of eight members designated to that UK Area voting at its AGM set out in Rule 58.
67. If, immediately following its scheduled AGM, any UK Area is unable to meet either of these two criteria, the FMB Board must be notified that the UK Area is unable to conduct business. The FMB Board will then take one of the following steps:
  - a. Initiate an EGM for that UK Area, under rule 63 c), where there is a reasonable expectation that both criteria under Rules 66 a) and b) would then be met. The EGM must take place before the 30 June AGM deadline specified under Rule 54.
  - b. Alternatively, the FMB Board must make other arrangements for the representation of members of that UK Area within the FMB's Governance. This can include merging of the UK Area with another UK Area.

## **PART III: FINANCE**

### **Funds and Investments**

68. The Board will require a Bank Account to be maintained in the name of FMB. All cheques drawn on such Bank Account can only be signed by such persons as the Board may from time to time prescribe.
- a. The funds and property of FMB, howsoever derived will be used solely for furthering FMB's Objects as set out in the Articles.
  - b. Any funds belonging to FMB, not immediately required, may be invested in such investments and generally in such manner and for such purposes as the Board in its absolute discretion from time to time determines, and the Board will also have the discretion to determine, to vary, transpose or realise all or any of the investments for the time being belonging to FMB.
69. The travelling and other out-of-pocket expenses incurred in the performance of their duties in connection with the affairs of FMB by any elected or nominated Member may be repaid to them out of the funds of FMB in accordance with the Guidelines on FMB Members' Expenses as approved by the FMB Finance Committee.

### **Account and Audit**

70. The Board must keep proper books of account and accounting records of FMB in accordance with the provisions of the Companies Act.

### **Income**

71. FMB's income may be raised by means of annual subscriptions, application fees, levies, by borrowing money, or by any other means of non-subscription income as the Board may decide from time to time.

## **PART IV: STATUTORY OBLIGATIONS AND MISCELLANEOUS**

### **Annual Report**

72. FMB will publish an Annual Report relating to its activities and make it available to all Members by including it in the magazine and/or on the FMB's website.

### **Alteration to the Rules**

73. FMB may amend these Rules as follows:
- a. Any UK Area Board member may propose amendments to the Rules which requires a seconder and must gain a majority vote for it to be adopted by the UK Area Board. The chair will have the Casting Vote. The proposal will then be submitted to the next National AGM following the normal Rules regarding notification of business set out in the FMB Articles. Any adopted alterations will be effective if carried by a majority vote of not less than three-quarters of those present at the National AGM or EGM of those who are entitled to vote.
  - b. Any Board member may propose amendments to the Rules which requires a seconder and must gain a majority vote for it to be adopted by the Board. The chair will have the Casting Vote. The proposal will then be submitted to the next National AGM. Any adopted alterations will be effective if carried by a majority vote of not less than three-quarters of those present at the National AGM or EGM of those who are entitled to vote.

74. Each set of Rules and any associated documents such as Appendices or Codes of Conduct which is approved at an AGM supersedes all previous documents approved at prior AGMs.

**Copies of Rules**

75. Prior to joining FMB, every applicant to the FMB will have access to the FMB Rules.
76. FMB will, at the request of any person, supply them with a copy of these Rules.

**Breach of the Rules**

77. Where a Member wishes to complain that action contrary to these Rules has been taken by FMB or by a Position Holder or Staff of FMB, they may make a complaint in writing to the Chief Executive. If it concerns the Chief Executive, the complaint may be made in writing to the National President.

**Notices**

78. Every notice required by these Rules to be served on any Member will be served in writing. FMB will make all reasonable efforts to ensure that notices in writing are received by Members. Any such notice, if served by post, will be deemed to have been served six days after posting to the registered or last known address of the Member or three days if sent electronically to the Member's registered email address.

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### **About the Federation of Master Builders**

The Federation of Master Builders (FMB) is the largest trade association in the UK construction industry representing thousands of firms in England, Scotland, Wales and Northern Ireland. Established in 1941 to protect the interests of small and medium-sized (SME) construction firms, the FMB is independent and non-profit making, lobbying for members' interests at both the national and local level.

The FMB is a source of knowledge, professional advice and support for its members, providing a range of modern and relevant business building services to help them succeed. The FMB is committed to raising quality in the construction industry and offers a free online service to consumers called 'Find a Builder'.

Please visit [www.fmb.org.uk](http://www.fmb.org.uk)

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