

# THE RULES OF THE NATIONAL HAIR & BEAUTY FEDERATION LTD

## A REGISTERED SOCIETY

### 1. NAME

The name of the society is the National Hair & Beauty Federation Limited (“the Federation”), also known as NHBF.

### 2. DEFINITIONS AND INTERPRETATION

- 2.1. Except where the context otherwise permits or requires, the words and expressions listed in Rule 29 shall bear the meanings given to them in that Rule.
- 2.2. Subject to the provisions of the Act, any difference of opinion as to the interpretation of these Rules or on any matter not provided for in these Rules shall be decided by the chair of a General Meeting at such meeting or by the Council in every other circumstance, and every such decision shall be recorded in the minutes and shall be accepted as the true meaning until thereafter otherwise interpreted on due notice at a subsequent General Meeting.
- 2.3. Any reference to a statute or statutory provision is a reference to that statute or statutory provision as amended, consolidated, replaced and/or re-enacted from time to time and includes any subordinate legislation from time to time in force made under it.

### 3. OBJECTS

- 3.1. The Federation exists to represent the interests of:

- hairdressing salon, barber shop and beauty therapy business owners in the United Kingdom;
- self-employed hairdressers, barbers or beauty therapists working in salons; and educators.

The aim of the Federation is to be universally recognised as the premier organisation within the hairdressing, barbering and beauty therapy sector that supports and enables members to excel in their business.

- 3.2. In achieving that aim the objects of the Federation (“the Objects”) are:

- To carry out the business of a trade association for hairdressing, barbering and beauty therapy as a bona fide co-operative society.
- To create a framework capable of uniting all aspects of the craft of hairdressing, barbering and beauty therapy (“the Craft”) within one organisation and to use its influence to further the advancement of the Craft generally.
- To initiate and promote changes (improvements) in the law or support or oppose alterations to the law affecting the Craft and for these purposes to petition parliaments and take such steps and proceedings deemed necessary to further the Objects of the Federation.
- The provision of benefits and services to members and the provision of a fund or funds for the protection of members.
- To foster and promote good practice in the relationships between employer and employee and to raise the status of the Craft generally.
- To foster and support the apprenticeship system for the Craft.
- To encourage the provision of facilities for technical classes for trainees and academies for training in the higher arts of the Craft.
- To foster, encourage and support professional standards for hairdressers, barbers and beauty therapists.
- To encourage hairdressers, barbers and beauty therapists resident outside the United Kingdom to support the Objects.
- To liaise or work with or through or promote or join in the promotion of or subscribe for or acquire any shares or other securities in any other organisation authority firm or company to promote the Objects whether or not that other organisation has similar objects to the Federation.

- 3.3. The Federation shall not trade for profit and any profits shall only be applied for the purpose of furthering the Federation’s objects and/or in accordance with these rules.

- 3.4. Nothing shall be paid by way of profit to members of the Federation.

## 4. POWERS

To further its objects the Federation shall have the power to do all such things as are incidental or conducive to the Objects of the Federation including (but not limited to) all or any of the following:

- 4.1. To raise funds.
- 4.2. To publish a Code of Professional Conduct for its members.
- 4.3. To promote public awareness and support for the Objects.
- 4.4. Either directly or indirectly to employ, invest and deal with the assets and finds of the Federation for the objects of the Federation in such manner as shall be considered by the Board of Directors to be expedient, and to do all such other acts and things and carry on all such other activities (including (but not limited to) leasing, sub-leasing, releasing, hiring, lending with or without security or otherwise dealing with real and personal property of any kind) as shall be considered by the Board of Directors to be necessary or expedient for the purposes of the Federation or the advancement of its interests. This may include transferring any assets to another organisation with the same or similar Objects.
- 4.5. To borrow money and to mortgage or charge the whole or any part of the property or assets of the Federation or issue debentures or other securities as security for payment of any money borrowed. The sum borrowed shall not exceed £50,000. Any borrowing in excess of this amount will require the approval of the members of the Federation.
- 4.6. To co-operate with other organisations, societies, voluntary bodies and statutory authorities and to exchange information and advice with them.
- 4.7. To establish or support any organisations, societies, associations or institutions formed for any of the Objects or to make a donation of cash or assets to such organisation in furtherance of the Objects.
- 4.8. To acquire, merge with or enter into any partnership or joint venture arrangement with any other society or organisation formed for any of the Objects.
- 4.9. To set aside income as a reserve against future expenditure.
- 4.10. To promote, monitor, enforce, and report upon compliance with accounting standards.
- 4.11. To employ and remunerate and make pension provision for such staff as are necessary for carrying out the work of the Federation. The Federation may employ or remunerate a member of the Board only to the extent that it is permitted to do so by Rule 11.8.
- 4.12. To deposit or invest funds.
- 4.13. To appoint a professional fund manager.
- 4.14. To arrange for the investments or other property of the Federation to be held in the name of a nominee.
- 4.15. To indemnify any member of the Board of Directors or person performing a duty on behalf of the Federation, out of the Federation's assets against all costs, charges, losses, expenses and liability suffered or incurred by him/her in the execution and discharge of his or her duties in good faith carried out on behalf of the Federation. This Rule does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law
- 4.16. To draw, make, accept, endorse, discount, execute and issue promissory notes, bills, cheques and other negotiable instruments and to operate the bank accounts.
- 4.17. To foster and undertake research into any aspect of the Objects or the work of the Federation and to disseminate the results of any such research.
- 4.18. To co-operate and enter into arrangements with any authorities or organisations national, local or otherwise.
- 4.19. To co-operate with any other organisation whether incorporated or unincorporated and with any other commercial organisation whose objects and policies are not opposed to or incompatible with the Objects.
- 4.20. To cause to be written and printed or otherwise reproduced and circulated, gratuitously or otherwise, periodicals, magazines, books, leaflets or other documents, digital recordings or similar.
- 4.21. To hold exhibitions, lectures, classes, seminars and other courses either alone or with others.
- 4.22. To do all such other lawful things as are necessary for the achievement of the Objects.
- 4.23. To do any other thing which is or may be incidental or conducive to the attainment of the objects of the Federation or the interests of the hair and beauty industries.
- 4.24. To make regulations regarding all matters relevant to membership of the Federation including without limitation the categories, rights and terms of membership.
- 4.25. To act as a mediator or arbitrator in instances of disputes between members.

## **5. MEMBERSHIP**

- 5.1.** The Members of the Federation shall be the individuals and entities whose names are entered in the register of members. Members are admitted to membership following the completion of the membership form and payment of the membership fee. The Board has the power in its absolute discretion to accept or reject the application for membership.
- 5.2.** Each member shall hold one share in the Federation.
- 5.2.1.** Where there are joint registered holders of a share conferring the right to vote, any one of them may vote at any meeting as if they were the sole registered holder thereof; but if more than one of several joint holders are present at a meeting that one of them so present whose name stands first in the register in respect of such share shall alone be entitled to vote.
- 5.2.2.** The shares shall have a nominal value of £1 each which will be deducted from the next annual subscription fee payable following the registration of the Federation as a Registered Society. The shares cannot be transferred or redeemed or withdrawn.
- 5.2.3.** On the death or cessation of a member the shares shall be forfeited and cancelled by the Federation. The amount subscribed for the share shall become the property of the Federation.
- 5.2.4.** No member may hold more than one share.
- 5.3.** Categories of Membership:
- 5.3.1.** Full membership is open to individuals (whether trading alone or in partnership), or corporate bodies (including without limitation companies, limited liability partnerships and other Registered Societies), whose constitution permits membership and who are hairdressing salon, barber shop and/or beauty therapy business owners in the United Kingdom, self-employed hairdressers, barbers or beauty therapists working in salons, educators and retired salon business owners who although no longer commercially active within the sector have a personal interest in the furtherance of the Objects.
- 5.3.1.1.** Full membership carries full voting rights and rights upon election to take part in the governance of the Federation.
- 5.3.1.2.** Full membership is divided into the following sub-categories:
- 5.3.1.3.** Salon membership: For salon owners who employ staff in one hair or beauty salon or barber shop. Salon membership gives access to the salon member services as described on the Federation's website and full member voting rights.
- 5.3.1.4.** Solo membership: For a salon owner with no employees, chair-renters within salons, individual educators, and retired salon owners who have been in membership of the Federation for a minimum of 3 years up to the date of their transfer to solo membership. Solo membership gives access to the solo membership services as described on the Federation's website and full voting rights.
- 5.3.1.5.** Group membership: For a salon owner with two or more salons and/or barbershops. Group membership gives access to the group membership services as described on the Federation's website and full voting rights.
- 5.3.2.** Trade membership is open to individuals (whether trading alone or in partnership), or corporate bodies (including without limitation companies, limited liability partnerships and other Registered Societies), whose constitution permits affiliation and who, although not directly engaged in the industry are interested in furthering the Objects and undertake to support and promote the Objects and who shall be termed Trade members.
- 5.3.2.1.** Trade members pay a fee for membership but have no voting rights or rights to take part in governance of the Federation.
- 5.3.2.2.** Trade membership is for non-salon businesses and may include corporate supporters, sponsors, advertisers, industry suppliers, colleges, advertisers, training providers, and business coaches.
- 5.3.2.3.** The process for application for trade membership is similar to that for full membership but may be referred to the Board of Directors for approval. A fee, determined by the Board, is payable.
- 5.3.2.4.** A trade member shall not have any right to receive notice of or attend or vote at a General Meeting of the Federation, or to be elected as a member of the Board of Directors.
- 5.3.2.5.** A trade member shall be entitled to transfer to full membership if they subsequently qualify under Rule 5.3.1.

**5.3.3.** Honorary membership is open to a person appointed an Honorary Member of the Federation by the Board where the Board considers it appropriate.

**5.3.3.1.** Honorary membership is given to members to thank them for their service and contribution to the Federation and who are retiring from their business and from being active within the Federation.

**5.3.3.2.** All recommendations for honorary membership shall be considered at the absolute discretion of the Board.

**5.3.3.3.** An honorary member is not entitled to receive any benefits offered to other membership categories unless they were appointed on or before 31 December 2009. For those appointed on 1 January 2010 and after who wish to remain active within the Federation, solo membership is available.

**5.4.** The Federation shall keep at its registered office the Register of Members ("the Register") containing:

- the names and addresses and contact details of the members;
- their category of membership;
- their share qualification;
- the date of entry in the register;
- the date when any person ceased to be a member;
- and a duplicate register ("the Duplicate Register") containing the above information except for any details of a member's share qualification or other interest in the property of the Federation.

**5.5.** A member may inspect the Register relating to their own membership details. An officer of the Federation, a person authorised by General Meeting of the Federation and the Financial Conduct Authority may also inspect the full Register. Any other person may only inspect the Duplicate Register.

**5.6.** For the purposes of service of any notice upon the member under these rules or any of the regulations of the Federation the Register shall be conclusive evidence of the name and last known address or contact details of the member.

**5.7.** The Federation shall have at least 3 members at any one time or its registration may be subject to cancellation by the Financial Conduct Authority.

**5.8.** Every full member shall have the right to receive notice of and attend and vote at General Meetings of the Federation or act as a proxy unless their membership subscription fee for the current period or any other sum owing to the Federation has not been paid.

**5.9.** Every full member shall have one vote.

**5.10.** A member under the age of 18 years shall enjoy all membership rights but may not be a member of the Board.

**5.11.** Membership is not transferable.

**5.12.** These rules shall bind the Federation and the members of the Federation and all persons claiming through them but shall not without their prior consent in writing increase the liability of that member or person to contribute to the share capital of the Federation.

**5.13.** The Board may increase the level of subscription payable in each category by up to 2% above the retail price index. Any other proposed increase must be referred to an Annual General Meeting for approval. This rule does not apply to Trade members whose fees can be increased with the approval of the Board.

**5.14.** Membership

**5.14.1.** The admission to membership shall constitute an undertaking by that Member on behalf of itself and, for a Trade Member, its members and employees, in each case to be bound by these Rules and the Federations Regulations.

**5.14.2.** An individual's membership shall terminate when they die, and the membership of a member who is not an individual shall terminate when it ceases to exist. In the event of termination of membership by death or bankruptcy, such deceased or bankrupt member may nominate (in writing and in accordance so far as applicable with the provisions of the Act), one or more persons to become entitled at that member's death or bankruptcy to the whole of any property in the Federation to which the Federation agrees that member was entitled at the time of their death or bankruptcy up to a maximum of £5,000 or to such part or respective parts of that property as may be specified in the nomination. No representatives of deceased members or trustees of the property of bankrupt members or any other nominees of the former member shall have any claim on any property of the Federation beyond this.

**5.14.3.** Membership of the Federation continues automatically from year to year unless a member withdraws from membership by notice in writing to the Chief Executive or is removed from membership.

- 5.16.** A member may only resign with effect from the day immediately before the anniversary of joining as a member and must give at least one month's notice of resignation, provided that the Member shall remain liable for all monies then due and owing to the Federation. That former Member shall remain bound by these Rules insofar as these Rules relate to any obligations to the Federation of that former Member which were in place on or before the Member's membership of the Federation terminated or otherwise relate to the Member's membership of the Federation.
- 5.17.** Membership of the Federation in any capacity is not open to freelance mobile hairdressers, barbers or beauty therapists.

## **MEETINGS OF MEMBERS**

### **6. GENERAL MEETINGS**

- 6.1.** Any General Meeting other than an Annual General Meeting shall be called an Extraordinary General Meeting.
- 6.2.** The chair of all General Meetings shall be the President. If the President is not present at a General Meeting, or if they do not wish to chair a General Meeting, or if they are unable to chair a General Meeting, then the General Meeting shall nominate a chair.
- 6.2.1.** If there are no Directors present or willing to act as chair of the meeting then, if the meeting is quorate, the full members present may resolve by a simple majority that the meeting shall be adjourned, usually for a period of 7 days.
- 6.3.** In the event of an equality of votes, the chair of a General Meeting shall be entitled to a second or casting vote.
- 6.4.** Every full member shall be entitled to attend and vote at any General Meeting.
- 6.5.** All voting members shall have the right to appoint proxies to attend and vote on their behalf at any General Meeting. The appointment of a proxy shall be made on a proxy form sent to each Member with the notice of every General Meeting. Any voting member wishing to appoint the chair of the Meeting as that member's proxy must return the proxy form by 4pm on the last working day preceding the meeting to the Federation.
- 6.6.** Where votes are cast at a General Meeting by a show of hands, every full member present shall be entitled to vote but if a poll is demanded or the chair rules that voting shall be by a poll every full member present in person, or by proxy shall be entitled to cast a vote. The procedure for the casting of votes shall be determined by the chair of the General Meeting. A poll may be demanded either (a) by the chair of the General Meeting or (b) by any member provided the demand is seconded by another member.

### **7. QUORUM**

- 7.1.** No business shall be transacted at a General Meeting unless a quorum is present.
- 7.1.1.** The quorum at any General Meeting shall be 40 full members present in person or by proxy, except that
- 7.1.1.1.** The quorum shall be 100 full members for a meeting requisitioned in accordance with Rule 7.7.
- 7.2.** If:
- 7.2.1.** A quorum is not present within 30 minutes from the time appointed for the meeting; or
- 7.2.2.** During the meeting a quorum ceases to be present;
- the meeting shall be adjourned to such time and place as the chair of the meeting shall determine for an Annual General Meeting. If the Board called the meeting or if it was called by a member, it shall be dissolved.
- 7.3.** If no quorum is present at the reconvened meeting within 15 minutes of the time specified for the start of the meeting the members present at that time shall constitute the quorum for that meeting.
- 7.4.** Those entitled to attend a General Meeting and vote shall be the members of the Federation at the relevant date, including full members and honorary members appointed on or before 31 December 2009 (and the members of the Board and auditors, in accordance with Rule 6.5).
- 7.5.** A special resolution shall require a majority of at least two-thirds of the votes recorded.
- 7.6.** Any resolution passed at a General Meeting which breaches, varies or in the opinion of the Board of Directors affects a contractual obligation of the Federation shall not be implemented until the contractual obligation has been fulfilled to the extent required by the Board of Directors. Should the Board of Directors not implement or significantly delay such resolution, it shall inform the members of the reasons for this.
- 7.7.** A General Meeting of the Federation may also be called by the Board of the requisition of 100 full members who, acting in good faith have submitted details of the reason for calling such a meeting to the Board at the time of requisitioning the meeting.
- 7.7.1.** The quorum for a meeting under Rule 7.7 shall be 100 full members.

- 7.8.** Proposals for alterations in or additions to the Rules or for any other motion (subject to the provisions of 7.9) to be submitted to an Annual General Meeting shall be subject to the following provisions:
- 7.8.1.** Any proposal made by a member must reach the Chief Executive in writing at least 40 days before the date of the Annual General Meeting duly proposed by one full member and seconded by another full member.
  - 7.8.2.** Copies of all such proposals together with copies of any amendments thereto then proposed by the Board of Directors and copies of all proposals put forward by the Board of Directors shall be sent to all members with the agenda of the notice calling an Annual General Meeting.
  - 7.8.3.** At the meeting, any proposals correctly received will be considered, discussed and voted on under normal procedures.
  - 7.8.4.** No proposals may be submitted from the floor on the day of the meeting.
- 7.9.** Rule Amendments:
- 7.9.1.** No rule may be amended, revoked or created by special resolution unless at least 66% of the members present voting in person, by proxy, by post or by secure electronic voting at a general meeting of the Federation shall approve the alteration.
  - 7.9.2.** Generally the Board will put forward proposals involving the amendment, revocation or creation of rules but the members have the right to put forward such proposals on a written requisition under the provisions of Rule 7.7.
  - 7.9.3.** Although the members may vote in favour of an alteration to the Rules, that alteration will not come into effect until it is approved and registered by the Financial Conduct Authority.
- 7.10.** Members may also put forward proposals which will be dealt with as ordinary resolutions. The resolution will only be passed if at least 50% of the members present in person or voting by proxy (online or by post) at a general meeting of the Federation shall approve the proposal.
- 7.11.** The proceedings of a General Meeting shall not be invalidated if, for whatever reason, a person who is entitled to receive notice of the meeting did not receive it.

## **8. ANNUAL GENERAL MEETINGS**

- 8.1.** There shall be an Annual General Meeting each calendar year.
- 8.2.** Each Annual General Meeting shall be held not later than 31 July in each calendar year for the transaction of the following business:
- 8.2.1.** To consider and approve (with or without amendment) the minutes of the previous General Meeting.
  - 8.2.2.** To receive a report from the Chief Executive and to make an order in respect thereof.
  - 8.2.3.** To receive a Financial Report and the Annual Report and Accounts.
  - 8.2.4.** To appoint the Auditors for the ensuing year.
  - 8.2.5.** To consider as a special resolution any amendment or alteration to these Rules.
  - 8.2.6.** To consider as an ordinary resolution (subject to Rule 7.9) any other motion or business duly proposed in accordance with Rule 7.10.
  - 8.2.7.** To consider any other business of which due notice shall have been given.
  - 8.2.8.** To hear any other relevant matter for the consideration of the Board of Directors during the ensuing year, but on which no voting shall be allowed.
  - 8.2.9.** To ratify the appointment of any members of the Board of Directors as required under Rule 11.
  - 8.2.10.** A notice calling each Annual General Meeting stating the date, time and venue of such General Meeting shall be given to all members, Directors, and the auditors not later than 21 days before that Annual General Meeting and it shall contain an agenda of all such matters specified in Rule 8.2 as are at that date capable of being notified together with a list of the Board of Director for the ensuing year.
  - 8.2.11.** A notice calling all other General meetings stating the date, time and venue of such General Meeting shall be given to all members, Directors, and the auditors not later than 14 days before that General Meeting.

## **9. VOTING**

- 9.1.** Subject to any Regulations made by the Board concerning the voting rights of different classes of members, every member, whether an individual or an organisation, shall have one vote.
- 9.2.** No member shall be entitled to vote at any General Meeting or at any adjourned meeting if they owe any money to the Federation.
- 9.3.** The declaration by the chair of the meeting of the result of a vote shall be conclusive.
- 9.4.** The result of the vote must be recorded in the minutes of the Federation along with the number and proportion of votes cast.



## **9.7. Organisation votes**

- 9.7.1.** Any organisation that is a member of the Federation may nominate any person to act as its representative at any meeting of the Federation.
- 9.7.2.** The organisation must give written notice to the Federation of the name of its representative. That nominee shall not be entitled to represent the member organisation at any meeting unless the notice has been received by the Federation. The nominee may continue to represent the organisation until written notice to the contrary is received by the Federation.
- 9.7.3.** Any notice given to the Federation will be conclusive evidence that the nominee is entitled to represent the organisation or that their authority has been revoked. The Federation shall not be required to consider whether the nominee has been properly appointed by the organisation.

## **THE BOARD OF DIRECTORS**

### **10. POWERS OF THE NHBFB BOARD**

- 10.1.** The affairs of the Federation shall be governed by the Board of Directors who shall exercise all of the powers of the Federation.
- 10.2.** The Board of Directors shall not exercise any of its powers in any way, or for any purpose inconsistent with the objects or policies of the Federation.
- 10.3.** The fiduciary duties owed by the Board of Directors shall be those which would be owed by the Board of Directors were the Federation a private limited liability company registered under the Companies Act 2006.
- 10.4.** The Board's purpose is to enhance the prosperity and viability of the Federation by collectively directing the Federation's affairs for the overarching benefit of the Federation's members. It does so by or through:
- Establishing the vision, mission and values of the Federation;
  - Reflecting the membership voice in decision-making and planning;
  - Developing and overseeing strategy;
  - Ensuring legal and regulatory compliance;
  - Financial and operational oversight and scrutiny;
  - Risk management and maintaining internal controls;
  - Stakeholder engagement; and
  - Appointment, motivation and appraisal of the Chief Executive.
- 10.5** The funds of the Federation may be invested by the Board in such manner as it determines.
- 10.6** In favour of a person dealing with the Federation in good faith, the power of the Board of Directors to bind the Federation, or authorise others to do so, shall be deemed to be free of any limitation under these Rules.
- 10.7** Board members shall be entitled to claim reasonable travel costs and other expenses incurred in the performance of their duties. No Board member may be appointed to any office of the Federation paid by salary or fees or receive any remuneration from the Federation.

### **11. COMPOSITION, APPOINTMENT AND REMOVAL OF THE BOARD OF DIRECTORS**

- 11.1** The Board of Directors shall comprise a maximum of 12 members reducing to 11 from May 2023, and 9 from May 2024.
- 11.2** The Board of Directors shall comprise a hybrid model of four appointed (independent) and five elected (from the Federation's members) Directors, transitioning to this composition as follows:
- May 2022: 12 elected Directors;
  - May 2023: 11 elected Directors;
  - May 2024: 9 elected Directors;
  - May 2026: 8 elected and 1 independently appointed Directors;
  - May 2027: 6 elected and 3 independently appointed Directors; and
  - May 2028: 5 elected and 4 independently appointed Directors.
- 11.3** The President and elected directors shall be elected by the Members of the Federation. Subject to Rules 11.6 and 11.7, any Member of the Federation may stand for election as an elected Director or President. The election will be conducted via a single transferable vote process.
- 11.4** The Board may make regulations for the conduct of elections.
- 11.5** Independent Directors shall be nominated by the Board and approved by the members at the Annual General Meeting. The Board will set out and publish its agreed process for selecting candidates to be nominated as Independent Directors. 11.6 Federation members seeking election to the Board of Directors are only eligible if they have been a full member for at least 1 year.

- 11.6** Federation members seeking election to the Board of Directors are only eligible if they have been a full member for at least 1 year.
- 11.7** Directors (elected and appointed), including the President, shall serve a 3-year term and shall be eligible for re-election or reappointment for one further term, i.e. a maximum of two consecutive terms.
- 11.8** If a vacancy arises on the Board during a position's election or appointment cycle, the Board may co-opt a full member of the Federation to that position until the start of the next election or appointment cycle.
- 11.9** Membership of the Board as a co-opted Director does not count towards the maximum period of office to which an individual can be elected or appointed
- 11.10** The President shall be entitled to an honorarium of an amount determined by the Board of Directors. All other Directors are unpaid save that any Director shall be entitled to claim their reasonable travelling and other expenses incurred in the performance of their duties.
- 11.11** A Director shall cease to be a member of the Board if they resign their position, giving at least 3 months' written notice.
- 11.12** A Director is liable to be removed by the Board if they:
  - 11.12.1** are convicted of an offence punishable by imprisonment;
  - 11.12.2** bring the Board of Directors or the Federation into disrepute;
  - 11.12.3** breach the Federation's Code of Conduct;
  - 11.12.4** become incapable by reason of mental ill-health, illness or injury of managing and administering their own affairs;
  - 11.12.5** become insolvent;
  - 11.12.6** fail to declare an interest in a competing organisation or an interest in any contract with the Federation in which they have a personal financial or material interest;
  - 11.12.7** cease to be a full member or authorised representative of a corporate member;
- 11.13** If at least two thirds of the Board vote (excluding the Board member concerned who may not vote) that there could be a case to answer under Rule 11.10, the matter will be referred to a Disciplinary Committee of the Board for consideration in accordance with the Federations Disciplinary Policy.
- 11.14** The membership have the power to remove a Director by ordinary resolution.

## **12. PROCEEDINGS OF THE BOARD**

- 12.1** The Board of Directors may regulate their proceedings as they think fit, subject to the provisions of the Rules.
- 12.2** At least two members of the Board may call a meeting of the Board, with the approval of the President, who will also approve the agenda.
- 12.3** Notice of the meeting may be sent by post to the registered or last known address of each member of the Board in the United Kingdom or by electronic communication to the registered or last known electronic communication address of each member of the Board at least 7 days before the meeting. Accidental omission to send any such notice or non-receipt of any such notice by any member of the Board shall not invalidate any resolution or proceedings at the meeting.
- 12.4** If there are insufficient members of the Board to constitute a quorum, the remaining Board members at such time may act as the Board for the purpose of filling casual vacancies and for the purpose of convening the Annual General Meeting of the Federation but for no other purpose.
- 12.5** The Board may invite members and non-members of the Federation (who are not Board members) to a meeting of the Board to participate in discussion but such participants shall not be entitled to vote.
- 12.6** All acts done bona fide at any meeting of the Board or of any committee of the Board or by any person acting as a member of the Board of Directors shall notwithstanding the discovery of some defect in the election or appointment of such person or their disqualification be as valid as if there was no such defect or disqualification.
- 12.7** The Board shall cause minutes to be kept of:
  - 12.7.1** all elections or appointments of members of the Board of Directors;
  - 12.7.2** the names of the Board members present at each meeting of the Board and of any committee of the Board; and
  - 12.7.3** all resolutions and proceedings of General Meetings of the Federation and of meetings of the Board and of any committee of the Board.



- 12.8** Any minutes of any such meeting if purporting to be signed by the chair of such meetings or by the chair of the next succeeding meeting shall be prima-facie evidence of the matters stated in such minutes.
- 12.9** Minutes will be a record of key decisions and actions, not a verbatim record of discussions. Draft minutes will be sent to the chair of the meeting (normally the President) for approval within 5 working days of the meeting. Draft minutes will be circulated to Board members but as their contents could be commercial or sensitive, they are not for onward circulation.
- 12.10** Draft minutes will be included in the papers for the next Board meeting, where they will be signed by the chair as a record.
- 12.11** If the person appointed is unwilling to preside or is not present within ten minutes after the time appointed for the meeting, the Board members present may appoint one of their number to chair that meeting.
- 12.12** Questions arising at a meeting shall be decided by a simple majority of votes.
- 12.13** In the case of an equality of votes, the person who chairs the meeting shall have a second or casting vote.
- 12.14** No decision may be made by a meeting of the Board unless a quorum is present at the time the decision is purported to be made.
- 12.15** The quorum for a meeting of the Board shall be not less than one half of the total number of the Board members or such number as Board members shall from time to time agree.
- 12.16** A Board member shall not be counted in the quorum present when any decision is made about a matter upon which that Board member is not entitled to vote. A Board member shall not be entitled to vote upon a matter in which they have a conflict of interest, which must be declared at the start of each Board meeting. At the discretion of the chair, a Board member with an interest in an item may be asked to leave the room for that item so they do not take part in the discussion.
- 12.17** If the number of Board members is less than the number fixed as the quorum, the remaining Board members may act only for the purpose of filling vacancies or of calling a general meeting.

### **13. COMMITTEES**

- 13.1** The Board may delegate some or all of its powers to a committee subject to the remit of the committee being approved by the Board. In the event of any matters which require a vote by a committee, the Chair shall be entitled to a casting vote.
- 13.2** The remit of a committee is established by the Board. The membership of any committee shall be determined by the Board. The Board will appoint the Chair of any committee and shall specify the quorum.
- 13.3** The Board has control over the removal of a committee.

### **14. REGULATIONS**

- 14.1** The Board shall have power to make any necessary regulations setting out the detail of any of the Federation's procedures.
- 14.2** The Board may from time to time make and amend such reasonable and proper regulations, rules, or bylaws as the Board may deem necessary or expedient for the proper conduct and management of the Federation.
- 14.3** The regulations may govern the following matters but are not restricted to them:
- The admission of members of the Federation (including the admission of organisations to membership) and the rights and privileges of such members, the entrance fees, subscriptions and other fees or payments to be made by members.
  - The conduct of members of the Federation in relation to one another and to the Federation's employees.
  - The procedure at General Meetings and meetings of the Board and the committees of the Board in so far as such procedure is not regulated by the Act or these Rules.
  - The Federation's power to alter add to or repeal rules at a General Meeting of the Federation
- 14.4** The Board must adopt such means as it considers sufficient to bring the regulations to the notice of members of the Federation, but all members shall be bound by such regulations whether or not they have received a copy of them.
- 14.5** If there is any inconsistency or conflict between the rules of the Federation and the regulations the rules shall prevail.

### **15. ALTERATION OF RULES**

- 15.1** No rule may be amended, rescinded or created unless at least 66% of the members present or voting by proxy at a General Meeting of the Federation shall approve the alteration.
- 15.2** Generally the Board will put forward proposals involving the amendment revocation or creation of rules, but the members have the right to put forward such proposals on a written requisition in accordance with the provisions of rules 7.7 and 7.9.

**15.3** Although the members may vote in favour of an alteration of the rules that alteration will not come into effect until it is approved and registered by the Financial Conduct Authority.

## **16. ACCOUNTS**

**16.1** The Federation shall cause to be kept proper books of account with respect to its transactions, assets and liabilities necessary to give a true and fair view of the state of the affairs of the Federation and to explain its transactions.

**16.2** The Federation shall also establish and maintain a satisfactory system of control of its books of account cash holdings and all receipts and remittances.

**16.3** In respect of each year of account the Federation shall cause to be prepared:

- a revenue account dealing with the affairs of the Federation as a whole for that year or two or more revenue accounts for that year dealing separately with particular businesses conducted by the Federation.
- a balance sheet giving a true and fair view as at the date of the balance sheet of the state of affairs of the Federation.

## **17. AUDIT**

**17.1** The Federation shall in accordance with the Act appoint each year a qualified auditor or auditors (qualified under the Act) to whom the accounts of the Federation for that year shall be submitted for audit and who have all such rights and duties in relation to notice of and attendance and right of audience at General Meetings of the Federation, access to books, the supply of information, reporting on accounts and otherwise as are provided by the Act.

**17.2** Subject to the following rule the auditors shall be appointed by the Federation at a general meeting and the provisions of the Act shall apply to the reappointment and removal and to any resolution removing or appointing another person in place of any such auditors.

**17.3** The Board may appoint an auditor to fill any casual vacancy occurring between General Meetings.

## **18. ANNUAL RETURN**

**18.1** The Federation shall make an annual financial return to the Financial Conduct Authority as required by the Act.

## **19. RIGHT OF INSPECTION OF BOOKS**

**19.1** Any member of the Federation shall be permitted to inspect the particulars contained in the register of members and officers required to be kept by the Federation under the Act and to be made available to the members under the provisions of the Act.

**19.2** The Board may make regulations as to the time and manner of inspection provided these regulations have been approved by the members in General Meeting.

**19.3** Any person authorised by the Financial Conduct Authority may, on producing evidence of their authority, at all reasonable hours inspect any particulars in any register or duplicate register of members and officers of the Federation.

**19.4** On the application of ten full members of the Federation, each of whom has been a member for not less than 1 year immediately preceding the date of the application, the Financial Conduct Authority may appoint an accountant or actuary to inspect the books of the Federation and report on them. Any accountant or actuary appointed for this purpose shall have power to make copies of any books of the Federation and to take extracts from the books at all reasonable hours at the Federation's registered office or any other place where the books are kept.

## **20. FINANCIAL CONDUCT AUTHORITY**

Upon the application of 10 full members, the Financial Conduct Authority may appoint an inspector to examine and report on the Federation's affairs. Such application must be made in accordance with regulations issued under the Act and shall be supported by evidence that the applicants have good reason for requiring the examination, are not actuated by malicious motives and, if the Financial Conduct Authority considers fit, security for costs.

## **21. AMALGAMATION TRANSFER OF ENGAGEMENTS AND DISSOLUTION**

**21.1** The Federation may amalgamate with another Registered Society provided the Federation and the other society have passed a special resolution approving such amalgamation in accordance with section 111 of the Act.

**21.2** The Federation may transfer its engagements to another Registered Society provided the Federation and the other society have passed a special resolution approving such transfer in accordance with section 111 of the Act.

**21.3** The Federation may by special resolution in accordance with section 113 of the Act determine to convert itself into or to amalgamate with or transfer its engagements to a company registered under the Companies Acts.

**21.4** In rules 21.1 – 21.3 above "Special Resolution" means a resolution which is passed in accordance with the relevant specified provisions of the Act and further details of the procedure may be found in the relevant regulations.

**21.5** The Federation may at any time be dissolved:

- in accordance with section 119 of the Act by an instrument of dissolution;
- in accordance with section 123 of the Act in pursuance of a winding up order or by resolution made or passed as directed in regard to companies by the Insolvency Act 1986; or
- in accordance with section 125 of the Act, after administration and administrator issues a notice to dissolve the society without a prior winding up.

## **22. SURPLUS ASSETS**

**22.1** On the dissolution or winding up of the Federation any surplus assets remaining shall be paid to the members of the Federation pro rata to their shareholding in the Federation.

**22.2** Should the members of the Federation so resolve, the Board may at any time before and in expectation of the dissolution of the Federation resolve that any net assets after all its debts and liabilities have been paid or provision has been made for payment, shall on dissolution be applied or transferred:-

- directly for the Objects;
- by transfer to any society or other body for purposes similar to the Objects;
- to any charity from which hairdressers, barbers or beauty therapists may benefit.

## **23. DISPUTE RESOLUTION**

**23.1** The Board may make regulations as to the manner in which certain classes of dispute are to be decided. The classes of dispute are disputes between the Federation or one of its officers and:

a member of the Federation;

any person aggrieved who has ceased to be a member not more than six months previously; or

any person claiming under the Federation's rules.

**23.2** If disputes under 23.1 cannot be resolved by the application of the Board regulations relating to disputes the dispute is to be referred to mediation, the mediator to be appointed by the Centre for Effective Dispute Resolution or such body which succeeds to its function.

**23.3** The Federation is a certified Alternative Dispute Resolution provider operating under the name Hair and Beauty Mediation.

## **24. INDEMNITY**

**24.1** Directors of the Federation, committee members working under the direction of the Federation, and employees shall be indemnified out of the Federation's assets against:

- any liability incurred by that individual in connection with any negligence, default, breach of duty or breach of trust in relation to the Federation.
- any other liability incurred by that officer as an officer of the Federation, Board member, regional committee member working under the direction of the NHBF, or employee.
- This clause does not authorise any indemnity which would cover liability:

**24.1.1** for wilful default, fraud or dishonesty; or

**24.1.2** any liability for costs or expenses imposed by order of the Financial Conduct Authority.

## **25. INSURANCE**

**25.1** The Federation may decide to purchase and maintain insurance, at the expense of the Federation, for the benefit of any relevant individual in respect of any relevant loss.

**25.2** In this clause a "relevant individual" means any Director or former Director of the Federation, any employee, committee member or volunteer working under the direction of the Federation.

**25.3** A "relevant loss" means any loss or liability which has been or may be incurred by a relevant individual in connection with that individual's duties or powers in relation to the Federation.

## **26. REGISTERED OFFICE**

**26.1** The registered office of the Federation to which all communications and notices to the Federation may be addressed is One Abbey Court, Fraser Road, Priory Business Park, Bedford, MK44 3WH.

**26.2** The location of the registered office may be changed by resolution of the Board of Directors and notice in the prescribed form shall be sent to the Financial Conduct Authority within 14 days of the change.

## **27. COPIES OF RULES**

**27.1** Any member may request a copy of the rules of the Federation by request in writing or electronically.

**27.2** A person who is not a member of the Federation may request a copy of the rules but the Board shall have power to make a reasonable charge for provision of such copy.

## 28. NOTICES

**28.1** Any notice to be given to or by any person pursuant to the rules or regulations of the Federation:

- must be in writing; or
- must be given using electronic communications.

**28.2** The Federation may give any notice to a member either:

- personally; or
- by sending it by first class post in a prepaid envelope addressed to the member at their address; or
- by leaving it at the address of the member; or
- by giving it using electronic communications to the member's electronic address.

**28.3** A member who does not register an address with the Federation or who registers only a postal address that is not within the United Kingdom shall not be entitled to receive any notice from the Federation.

**28.4** A member present in person at any meeting of the Federation shall be deemed to have received notice of the meeting and of the purposes for which it was called.

**28.5** Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given.

**28.6** Proof that a notice contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given.

**28.7** A notice shall be deemed to be given:

- 48 hours after the envelope containing it was posted; or
- in the case of an electronic communication, 48 hours after it was sent.

## 29. DEFINITIONS

**29.1** "the Act" means the Co-operative and Community Benefit Societies Act 2014 and any subsequent acts (including any regulations amending the same) governing or otherwise affecting societies registered under that act

**29.2** "Annual General Meeting" means the General Meeting held each year under Rule 8

**29.3** "Auditors" means the auditors of the Federation for the time being duly appointed under Rule 8.2.4 in accordance with the provisions of the Act

**29.4** "Board of Directors" means the body which is elected/appointed in accordance with Rule 10 to manage the affairs of the Federation in accordance with the Act

**29.5** "Extraordinary General Meeting" means a General Meeting other than an Annual General Meeting

**29.6** "General Meeting" means a meeting of the Members constituted under Rule 6

**29.7** "Individual Member" means a Member who is a natural person (for the avoidance of doubt this excludes unincorporated associations and partnerships).

**29.8** "Member" means a voting member of the Federation

**29.9** "President" means the president of the Federation elected under Rule 11.3

**29.10** "Register or Members" means the register maintained under Rule 5.4

**29.11** "Rules" means the Rules of the Federation for the time being registered with the Financial Conduct Authority

