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The British Marine Federation
A Company Limited by Guarantee

Membership Rules incorporating the Code of Practice

Rules for members of the BMF

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1 CLASSES OF MEMBERSHIP

Eligibility, Classification and Election

1.1 Eligibility for membership:

Any individual, firm, company, Federation or Association actively involved in the marine industry whether ship and/or boat building and/or repairing or any other business or trade whose activities or objects are considered by the Council of the Federation to be sufficiently associated with or allied to the marine industry within the United Kingdom, the Channel Islands, the Isle of Man and the Republic of Ireland and have a trading address within these geographic areas shall be eligible for membership of the Federation.

1.2 Classes of membership

There shall be five classes of membership, namely:

1.2.1 Full membership

That is to say individuals, firms or companies who have completed a three year period of continuous trading within the marine industry.

1.2.2 Associate members

That is to say individuals, firms or companies who have served less than a three-year period of continuous trading within the marine industry. Associate members will be upgraded to Full membership after two years, on receipt of an updated reference and subject to a visit by an Association or BMF Official and subject to a credit check.

Transfer is dependent on there being no objections from either the Region or Group Association. Transfer to Full membership may be considered within the two year period provided that the company has been trading in the marine industry for a minimum of 3 years.

1.2.3 Honorary members

The Council shall have power to elect to Honorary membership, as a mark of esteem for conspicuous service to the industry, such individuals as they may from time to time consider eligible.

1.2.4 Regional Associations

That is to say Associations consisting of individuals, firms or companies actively carrying on a business within the marine industry in a defined regional area of the United Kingdom, all of whose Full and Associate members are in membership of the Federation.

1.2.5 Group Associations of Trades or Professions

That is to say Associations consisting of individuals, firms or companies engaged in the same type of trade or profession within the marine industry and all of whose members are in membership of the Federation.

Notes:

1.2.5.1 Regional and Group Associations may at their option grant membership to individuals, firms and companies whose activities, location or involvement within the marine industry do not qualify for Full or Associate membership.

1.2.5.2 This membership is confined to the particular Association concerned, will be non-voting and does not involve real or implied membership of the Federation. These members will be required to join the Federation in the normal manner should changed circumstances permit, or if eligible, at the end of a maximum period of two years.

1.2.5.3 Administration - Recruitment and administration of these non-qualifying regional and group association members shall be the responsibility of the Group and Regional Associations who shall satisfy themselves as to the integrity and standing of applicants.

- 1.2.5 Safeguards - The Membership Service of the Federation at intervals of not more than 12 months shall examine a list of members submitted by Regional and Group Associations and make any recommendations thought fit.
- 1.3 Election
Election of members in whatever Class shall be with approval of the Regional and Group Association. Every applicant must satisfy the set membership application criteria agreed by the Membership Committee and Council, and satisfy Council as to their integrity, reputation and suitability before being admitted into membership.
- 2 CONDITIONS OF MEMBERSHIP**
- 2.1 Every applicant for membership of the Federation shall complete sign and deliver to the Federation an application for admission framed in such terms as the Federation Council shall think fit, together with such information and a remittance of such sum of money as the Federation Council shall from time to time determine.
- 2.2 Upon receipt of an application for admission properly completed in the prescribed form the membership department or membership Committee of the Federation shall consider such application and may, if the membership department or membership Committee agree that the application meets the set criteria make an offer in writing to such applicant for membership on such terms and conditions as the membership department or membership Committee shall in their discretion determine. The membership department or membership Committee shall be entitled to refuse an application for membership if the application fails the set membership application criteria and shall on a confidential basis provide reasons for such refusal. If an applicant is refused membership the Council or membership Committee shall return to the applicant any sum of money remitted with the application. Prospective applicants for membership who have had their application turned down may have their membership application reviewed by an independent assessor appointed by the BMF, to ensure that the rules and conditions of membership have been fairly applied to their case.
- 2.3 Full and Associate members must join and at all times remain in membership of the appropriate Regional and Group Association. Members may also at their option join any other Regional or Group Association where the Association rules allow on payment of any additional subscription involved.
- 2.4 Associate members shall have no voting rights nor be eligible for appointment of individuals to office in the Federation.
- 2.5 All members of the Federation agree to abide by the Memorandum and Articles of Association of the Federation and any amendments thereto may be agreed upon in general meetings and to pay on demand all subscription and other dues that may be levied upon them from time to time as determined by the Federation Council.
- 2.6 All members of the Federation agree to abide by the Federation's Code of Practice and with the Rules of the Federation.
- 2.7 If at any time there is any substantial change in the ownership of a member of the Federation or if the member is a firm any change in the partners of the firm or if the member is a company any change in the directors or other officers of the company or the individual shareholdings in the company or if in the case of any member there is any change by way either of addition or deletion or variation of the type of business carried on by the member or the trade name(s) used by the member in connection with its business then the member shall immediately notify the Federation in writing of any such change. On receiving such notice the Federation shall be entitled to review the membership of such member and may in its discretion terminate or suspend membership and/or impose terms or conditions upon the membership of such member or vary the class of membership and/or amend by variation addition or deletion any terms or conditions already imposed on the membership of such member and/or take any other steps in relation to its membership as the Federation shall in its discretion think fit.

- 2.8 If a member shares any director, manager, or partner with another legal entity involved in the marine industry, and any part of the group thereby formed (whether or not it forms a "group" for legal purposes) becomes insolvent or goes into liquidation or is unable to pay its debts within the meaning of s.123 Insolvency Act 1986 or if a receiver is appointed in respect of any of its property or if it makes any arrangements with its creditors or an administrator or administrative receiver is appointed, then that shall notify the Federation in writing of the circumstances. On receiving such notice the Federation shall be entitled to review the membership of such member and may in its discretion terminate or suspend membership and/or impose terms or conditions upon the membership of such member or vary the class of membership and/or amend by variation, addition or deletion any terms or conditions already imposed on the membership of such member and/or take any other steps in relation to its membership as the Federation shall in its discretion think fit. Furthermore it shall be a requirement that any new business which is managed or directed or owned, in whole or in part, by a former director, shadow director, manager, partner or shareholder of a business whose membership of the Federation has been terminated on grounds of insolvency shall have traded for at least 12 calendar months before applying for Associate membership.
- 2.9 A member shall cease to be a member:
- 2.9.1 if a member shall give six months notice in writing of termination to the Federation;
- 2.9.2 if in the case of an individual he becomes of unsound mind or bankrupt;
- 2.9.3 if in the case of a company it goes into liquidation or is unable to pay its debts within the meaning of section 123 Insolvency Act 1986 or if a receiver is appointed in respect of any of its property or if it makes any arrangements with its creditors or an administrator or administrative receiver is appointed in respect of the whole or any part of its undertaking;
- 2.9.4 Council may also at its discretion terminate the membership of any member but the requirements of natural justice shall be respected and a member shall be entitled to receive one month's notice of the proposed expulsion and shall be entitled to put his case and to be heard in his own defence by Council;
- 2.9.5 No member who is expelled from membership shall be entitled to any refund in whole or part of any subscription paid in respect of the year in which membership is terminated.
- 3 USE OF FEDERATION LOGO**
- 3.1 A Full or Associate member of the Federation shall be permitted to use on its business stationery and otherwise in connection with its business the Federation logo strictly subject to and in accordance with these Rules and with any terms and conditions prescribed by the Federation and notified by the Federation to members from time to time.
- 3.2 No category of member of the Federation other than a paid up Full or Associate member as set out therein shall be permitted to use the Federation logo on any stationery or in its business or in any way whatsoever unless given the express prior written permission of the Federation to do so.
- 3.3 It is expressly agreed and understood that the Federation may from time to time in its discretion impose terms and/or conditions in relation to the use of the Federation logo to apply either to all Full or Associate members or to an individual Full or Associate member or to particular Full or Associate members and may require Full or Associate members to execute such documents in relation to the use of the Federation logo as it in its discretion thinks fit.
- 3.4 It is expressly agreed and understood by all Full or Associate members that the right to use the Federation logo as set out herein relates only to the Full or Associate member itself and not to any other person connected or associated with the Full or Associate member including but not limited to any partner, wholly or partly owned subsidiary, joint venture partner, franchisee, franchisor, licensee, licensor, director or other officer or any other associate person whatsoever. The Full or Associate member shall not in any circumstances permit or allow or license any other person to use the Federation logo and shall not itself use

the Federation logo for the benefit of any other person nor in relation to any business of the Full or Associate member other than that in respect of which its membership has been granted without the express prior written consent of the Federation which it shall be entitled to grant or withhold at its discretion.

- 3.5 Any breach by a Full or Associate member of any terms and/or conditions applying to its use of the Federation logo either as set out herein or as prescribed by the Federation from time to time in accordance with the Rules shall without prejudice to any other rights or remedies of the Federation entitle the Council of the Federation to terminate, suspend, alter the category of membership or otherwise review the membership of such Full or Associate member. Upon termination of membership the member shall immediately cease to use the Federation logo and shall not at any time thereafter hold itself out as a Full or Associate member of the Federation. If the Federation determines that the category of membership of such Full or Associate member shall be altered the member shall immediately cease to use the Federation logo and shall not at any time thereafter hold itself out as a Full or Associate member of the Federation. If the Full or Associate member's membership is suspended, then the Full or Associate member shall not use the Federation logo nor hold itself out as a Full or Associate member of the Federation during the period of such suspension. The Council of the Federation shall be entitled to determine the duration of such period of suspension and to impose such terms and conditions during such period of suspension as it in its discretion thinks fit. The remedies of the Federation set out herein and otherwise in these Rules are expressly without prejudice to any other rights or remedies that the Federation may have either in law or in equity.

4 CODE OF PRACTICE COMMITTEE

- 4.1 Council has constituted a Code of Practice Committee ("the Committee") to which it delegates (under Article 45 of the Articles of Association of the Federation) full powers to investigate consider and decide upon all complaints and disciplinary allegations relating to members of the Federation and the Group associations and Regional associations.
- 4.2.1 The Code of Practice Committee shall consist of:- At least two members of the Membership Service Committee, nominated by the Chairman of the membership Service; and A nominee of the chairman of the Legal Service Committee of the Federation; and In cases where an element of the alleged breach involves or touches upon consumer issues or consumer confidence and where appropriate a nominee of the Royal Yachting Association and/or the Inland Waterways Association and/or equivalent body; In addition the Committee shall be entitled to and shall, as appropriate, co-opt a person from one Group Association and/or one Regional Association to which the member who is subject of the Code of Practice proceedings belongs. The co-opted members of the Committee shall have voting rights. The Committee shall have the authority to decide from which Group Association and/or from which Regional Association the representatives shall be co-opted. However where the Complaint under investigation has been initiated by a Group or Regional Association the Committee shall not co-opt a representative from the Association which initiated the complaint. The Committee shall have a non-voting secretary ("the Secretary") to be appointed from the Federation's employed officers from time to time by Council.
- 4.2.2 Council shall have the power to appoint and remove any member of the Committee
- 4.2.3 Decisions of the Committee shall be by a simple majority of votes. In the case of an equality of votes the chairman of the Committee shall have a second or casting vote. The Chairman of the membership Service Committee shall act as the chairman of the Committee and in his absence the members of the Committee may appoint one of their number to be chairman for that meeting.
- 4.2.4 The quorum for the meetings of the Committee may be fixed by Council from time to time and unless so fixed at any other number shall be three.
- 4.3 Code of Practice Offences
- Action may be taken against any member who commits or is alleged to have committed a breach of the Federation's Code of Practice or Rules or any other code of proper business conduct or rules adopted by the Federation or an appropriate Group Association or Regional Association;

- 4.4 Code of Practice Procedures
- A Code of Practice Complaint (a "Complaint") relating to a member shall be referred to the Secretary for preliminary investigation who shall investigate consider and seek to resolve such Complaint within forty-five days of first notification. The Secretary shall be empowered to delegate the investigation to other employees and/or to take appropriate advice and shall be entitled to inspect any goods or premises, as he or she may deem appropriate.
- 4.5 The Secretary shall give written notice to every member against whom a Complaint has been made setting out particulars of the Complaint within 7 working days of the Complaint being made. The member against whom the allegation has been made shall provide such further information and/or documentation as may be required by the Secretary within the period he or she specifies and will permit any officer or authorised representative of the Federation to carry out any inspection of goods or premises as the Secretary shall consider appropriate. The Secretary shall then carry out a preliminary investigation (a "Preliminary Investigation").
- 4.6 If the Secretary concludes as a result of the Preliminary Investigation that the facts alleged against the member constitute infringement of the Code of Practice then:
- 4.6.1 where the Secretary's finding is accepted by the Member the agreed facts shall be laid before the Committee who shall determine what sanction to apply;
- 4.6.2 where the Secretary's finding is disputed by the member concerned then the matter may either;
- 4.6.2.1 With the agreement of the member concerned be referred to Alternative Dispute Resolution arranged with the Chartered Institute of Arbitrators under the terms of the Marine Dispute Resolution Rules (Appendix 2 to the Code of Practice). The process shall be subject to such time, financial and other restrictions as from time to time shall be agreed; or
- 4.6.2.2 The matter will be submitted to the Committee who shall consider whether the Complaint should be heard by the Committee or be submitted to an independent adjudication, by an adjudicator drawn from the list held by the Chartered Institute of Arbitrators in respect of the Marine Dispute Resolution Rules.
- 4.7 In the event of a disputed finding arising between a member and the Federation, all correspondence shall, wherever possible, be dealt with by both parties within the following time scales;
- 4.7.1 An acknowledgment shall be sent not later than 21 days from the date of receipt of correspondence; and
- 4.7.2 A detailed reply, or a reply containing a detailed explanation for any delay, shall be sent not later than 28 days from the date of receipt of correspondence. If a matter that comes within the scope of this clause 4.7 is dealt with other than in writing the relevant party shall nevertheless produce evidence in writing or other appropriate form that the matter has been dealt with in accordance with the time scales set out in Clause 4.7 above. The Committee shall have a general discretion in the handling of disputed issues and shall be entitled to grant extensions of time to the time scales set out in this clause provided it shall consider it equitable to do so; it shall however also have power to exercise a finding in default of a timely response from the member concerned.
- 4.8 A member shall be entitled to attend before the Committee to answer any Complaint against them. The member shall be invited to respond in writing to such Complaint and the member shall confirm whether or not he wishes to attend before the Committee to answer the Complaint
- 4.9 The Committee shall have the power to suspend a member against whom a Complaint has been made for a period of up to three months. During such period of suspension such member shall not be entitled to exercise any of his rights or privileges as a member of the Federation or of his Group Association or Regional Association nor to attend or vote at meetings of the Federation or his Group Association or Regional Association whether in person or by proxy nor to enjoy any benefit or advantage he would otherwise have enjoyed as a member but for his suspension. For the avoidance of doubt but without prejudice to the generality of the foregoing a suspended member shall not use in any manner the Federation

logo nor shall such member be entitled to any discounts or concessions in relation to an exhibition trade fair or other event organised operated or coordinated by or through the Federation or his Group Association or Regional Association to which such member would otherwise have been entitled but for such suspension

- 4.10 The Committee may hear or receive evidence from any person making such Complaint and any other persons, Group Associations, Regional Associations or organisations the Committee thinks fit.
- 4.11 The Committee shall determine whether the Complaint made against the member should be upheld or dismissed. If a Complaint against a member is upheld the Committee may impose such sanction as it sees fit upon such member including but not limited to reprimanding, suspending or expelling such member.
- 4.12 The decision of the Committee to uphold or dismiss a Complaint together with any sanction imposed by the Committee shall be promptly communicated in writing to the member. Expulsion shall not take effect until forty-two days after the member has been informed of the decision to expel the member.
- 4.13 If a Group or Regional Association initiates a Complaint it shall be investigated considered and decided upon by the Committee in accordance with these Rules.
- 4.14 Where the Committee upholds a complaint, on conclusion of the Code of Practice procedure or where the findings of the Secretary on a Preliminary Investigation are accepted by the member concerned then the Committee shall determine what sanction, if any, should be imposed and shall notify the member forthwith of that sanction. Thereafter the Secretary shall submit to Council for information a written report summarising the findings of the investigation into the facts and circumstances of the Complaint and the Committee's decision to uphold the Complaint and the sanction (if any) imposed by the Committee.
- 4.15 On suspension or expulsion of a member any sums due to the Federation and/or to any of the Group Associations and/or Regional Associations remain payable and shall be paid immediately.
- 4.16 For the avoidance of doubt if a member of a Group Association or Regional Association should have his membership of the Federation suspended or terminated for any reason then his membership of any Group Association and any Regional Association shall likewise simultaneously be suspended or terminated.
- 4.17 Appeal under the Code of Practice procedure
A member against whom a Complaint has been upheld may appeal to the President of the Federation (or in any case where the President has declared an interest in the matter another nominee of Council who was not a member of the relevant Committee) within twenty-one days of the date on which the Committee informed the member of its decision. Such appeal must be made in writing setting out in full the grounds of the appeal and enclosing all relevant documentation in support of the appeal. The President – or Council's nominee - shall review the evidence presented to the Committee and consult both with the member and with the Committee. The President – or Council's nominee - may allow, dismiss or vary the decision of the Committee and the decision on Appeal shall be final. Any sanction imposed by the Committee shall remain in force pending determination of the member's appeal.
- 4.18 Natural Justice
The Committee and the President shall at all times observe the rules of natural justice in carrying out any disciplinary procedure or investigation of any Complaint against a member.

5 FINANCE

The Federation shall keep and operate Bank Accounts and all monies paid to the Federation shall be paid into such accounts and all cheques drawn on such accounts shall be signed by any two persons appointed by the Management Board. The Treasurer shall be responsible for reporting to the Management Board and Council on all financial matters. Audited accounts shall be presented as at the end of each financial year at the following Annual General Meeting and the auditors shall be appointed annually at the Annual General Meeting but their fees shall be at the discretion of the Management Board.

6 FINANCIAL YEAR

The financial year of the Federation shall terminate on 30th June each year.

7 ANNUAL SUBSCRIPTION

Subscription rates for "Full" and "Associate" members as defined in Clause 1.2.1, 1.2.2, above will be based on such scales as may be decided from time to time by the Council of the Federation.

8 OFFICE BEARERS

Office Bearers are as defined by Council and shall include the President, the Treasurer, the Vice Presidents and the National Boat Shows Ltd Chairman/Southampton Boat Show Ltd Chairman and those persons having been elected as Leaders of Services and other standing Committees of the Council of the Federation. No Office Bearer shall remain in office if, for any reason, he/she ceases to be a member or employed by a member of the BMF. It will be at the discretion of Council whether an Office Bearer should continue in office if he/she moves from one member firm or company to another without any time-gap in employment. In this event it will be the responsibility of the Office Bearer to notify the Federation Membership Services Manager in writing in time for Council to decide before the date of the move.

9 LIMIT OF FEDERATION'S LIABILITY

The liability of the Federation to members shall be restricted to the implementation of the objects of the Federation as defined in the Memorandum and Articles of Association of the Federation to the best of the ability of its Council members and officials. The Federation will not in any circumstances be responsible for consequential damages or harm arising as the result of any action taken or any advice given in good faith by the Federation or its Council members, Committee members, officials and appointed representatives or agents.

10 VOTING RIGHTS AT COUNCIL MEETINGS

| COUNCIL MEMBER | NUMBER OF VOTES |
|---|--|
| The President | One vote |
| The Treasurer | One vote |
| Two Vice-Presidents | One vote each |
| The Chairman of National Boat Shows Ltd/ Southampton International Boat Shows Ltd | One vote |
| The Two Immediate Past Presidents | One vote each |
| Leaders of BMF Services | One vote each |
| A representative of each Regional and Group Association admitted into membership under the Articles of Association and these Rules | One vote for every 25 full members of the Association or part thereof with a minimum of two |
| A representative of a Federation Associations admitted into membership under the Articles of Association and these Rules | Two votes |
| The six elected members of Management Board being: | |
| The two persons elected by a meeting of the BMF Regional Associations | One vote for each person nominated who does not already have a vote or votes as a |
| The two persons elected by a meeting of the BMF Group Associations | Service Leader or Chairman |
| Two persons elected by a meeting as an Association of BMF Service Leaders | |

NOTE A

Each Past President shall be a member of the Council for the period of four years with effect from the end of his term of office.

NOTE B

The President, as Chairman of the Council meeting, shall have an additional casting vote.

NOTE C

Co-Option

Without prejudice to the foregoing, the Council shall have power to co-opt any person or persons as members of the Council. Such co-opted members shall attend such meetings as the Council may from time to time decide, but shall have no voting rights.

NOTE D

Representation

Only one representative of each Association or Federation, appointed in the duly authorised manner shall be required to attend Council meetings and he/she will be able to exercise on a ballot one vote for every 25 full members or part thereof belonging to his association. In the interests of continuity additional representatives from associations/services are welcome to attend Council meetings and, if appropriate, to take part in a debate but without any voting rights.

11 TERMS OF REFERENCE FOR COUNCIL

The Terms of Reference for Council are as determined from time to time by Council. The current terms are set out in Schedule 92/Council attached.

12 TERMS OF REFERENCE FOR MANAGEMENT BOARD

The Terms of Reference for the Management Board are such as determined from time to time by the Council. The current terms are set out in Schedule 92/Management attached.

13 VOTING RIGHTS AT MANAGEMENT BOARD MEETINGS

Group A

| | |
|---|---------------|
| The President | One vote |
| Two Vice Presidents | One vote each |
| The Treasurer | One vote |
| The Chairman of National Boat Shows Ltd/ Southampton International Boat Show Ltd | One vote |
| The Scottish Association President | One vote |

Group B

| | |
|--|---------------|
| Two persons nominated by a meeting of the BMF Regional Associations | One vote each |
| Two persons nominated by a meeting of the BMF Group Associations | One vote each |
| Two persons nominated by a meeting of BMF Service Leaders | One vote each |

Group C

| | |
|--|----------|
| The BMF Chief Executive | One vote |
| The Executive Director of the Federation | One vote |
| The Managing Director of National Boat Shows | One vote |

NOTE A

The quorum shall be SEVEN.

NOTE B

On no occasion should the number of staff votes be able to out number the votes cast by elected members from Groups A and B.

NOTE C

The President shall have an additional casting vote.

NOTE D

The Management Board may, in the future, make recommendations to Council to grant a vote to an additional member of the Management Team, not defined in Group C above, as recognition of the management ability and achievement of that individual.

14 ELECTION PROCEDURE FOR THE MANAGEMENT BOARD - GROUP B

The procedure for Services, Group Associations and Regional Associations to elect their candidates shall be as agreed from time to time proposed by the Groups, Services and Regional Associations and notified to the Council. This group would not be on the Board to represent any particular section, but to consider the best interests of the BMF. The persons elected should have current knowledge of their Association/Service and a full understanding of the Federation and its activities. They do not have to be current Association Chairmen or Service Leaders. Each of these Board members would be elected for a period of two years and would be eligible for re-election. Provided that on the initial elections one Board member from each of the Services, Group Associations and Regional Associations would be elected to December 1993 and the other to December 1994.

15 ELECTION OF VICE-PRESIDENT

The Management Board shall elect the two Vice-Presidents by secret ballot, under the delegated powers of Council.

16 NOMINATIONS OF PRESIDENT-ELECT

During the twelve months before the date at which the President is due to retire, the Management Board shall hold a secret ballot to choose a President-Elect from the serving Vice-Presidents. Council will then be advised of the nomination.

BMF BOARD OF DIRECTORS - MEMBERS OF THE COUNCIL

TERMS OF REFERENCE

The members of Council (the Directors) will bear the ultimate management responsibility for all matters pertaining to the BMF and its subsidiaries. They will meet four times a year, or as required. The members of Council will bear the ultimate responsibility for approval of all budgets. The members of Council will debate and decide issues of national significance to the industry and instruct the Management board to implement their decisions through the permanent staff. The members of Council will give final approval to all matters pertaining to membership

The members of Council will choose annually:

- a) the members who will become the Board of NBS/SBS Ltd

The members of Council will elect annually:

- b) Service Leaders

The members of Council will appoint annually:

- c) the Trustees pursuant to the original Declaration of Trust made on the 22nd day of August 1989.
- d) Deputy Service Leaders/Committees members.

The members of Council will nominate, by ballot if necessary, the candidates for the positions of:

- 1) President
- 2) Treasurer

to be submitted for election at the AGM of the members. N.B. It is proposed that the members of Council should delegate power to the Management Board to elect the Vice-Presidents.

At each meeting of Council the members of Council will receive reports and recommendations from:

- a) The Management Board
- including Policy Objectives, Strategy and Budget recommendations
- b) The Trustees
- including a statement of their current investments and the performance of these investments.
- c) The Treasurer
- including the financial results of the BMF activities
- d) Projects, Services and Committees
- e) BMF members who represent the Federation on outside bodies - (as and when appropriate).

COUNCIL POWERS OF DELEGATION

Under Clause 45 of the Articles of Association, "The Directors may delegate any of their powers to any Committee consisting of one or more Directors or other persons. The Directors shall appoint a Management Board to give preliminary consideration to and report upon matters affecting the industry." Directors voting rights remain unchanged.

TERMS OF REFERENCE - BMF MANAGEMENT BOARD

The Management Board will meet not less than six times per annum.

INPUT FUNCTIONS:

The Management Board:

- I.1 will collate proposals, suggestions and ideas received from Regional Associations, Group Associations and others; will consider these subjects and provide Policy advice with alternatives, to the Council.

- I.2 will prepare a BMF Strategy and Forward Plan for submission to and approval by Council. Thereafter, will review the Strategy and Forward Plan not less than once a year with any alterations being submitted to Council for approval.
- I.3 will supervise, collate and recommend the financial targets and budgets for all companies and activities within the BMF Group of Companies with regular reports to Council.
- I.4 will set out objectives for the promotion of the Industry, including all exhibition activities at Home and Overseas.
- I.5 will monitor and report to Council on major international issues affecting the Industry.
- I.6 will receive and approve strategy and plans in relation to Boat Shows prepared by the Boat Show Board with regular reports to Council.

THE MANAGEMENT BOARD:

- 0.1 will have an overview of and be responsible for co-ordinating all BMF activities including Boat Shows at Home and Overseas.
- 0.2 will have authority between Council meetings to take account of changed circumstances and to authorise the re-allocation of spend between existing approved budgets by agreement with the parties responsible for those budgets - without exceeding the overall, approved Budget.
- 0.3 will operate a system of control to ensure that the activities remain within the approved budgets.
- 0.4 will monitor the performance of companies and activities within the BMF Group.
- 0.5 will exercise authority over the management and control of the Federation on behalf of the Council.
- 0.6 will integrate the Marketing Strategy for the Industry and its Exhibitions.
- 0.7 will exercise responsibility for the overall management of the BMF premises.
- 0.8 will exercise responsibility for all aspects of general staff management matters.
N.B. Matters relating to the individuals in the Staff Management Team should be delegated to a sub-committee of elected Management Board members.
- 0.9 shall nominate to Council candidates for the offices of President and Treasurer.
- 0.10 shall elect by ballot the candidates for the positions of Vice-Presidents and President Elect.
- 0.11 will note the reports from the Management Team.

Code of practice for members of the BMF

This Code of Practice has been developed by the Legal & Financial Service Committee of the BMF and has been approved by the BMF Council and is binding upon all Full, Associate, [and Honorary] Members of the Federation as a condition of Membership with effect from 1st April 2004. Regional and Group Associations and other bodies affiliated or associated with the Federation are required – as a term of their continued membership, affiliation or association – to impose equivalent obligations upon their own body of members or to adopt this Code.

AIMS OF THIS CODE OF PRACTICE

- To encourage initiative and enterprise in the belief that properly regulated competitive trading by and between Members will best serve the public interest and the well being of the marine industry and its constituent parts.
- To maintain and enhance the reputation, standing and good name of the Federation and its membership.
- To promote trade and exports by Members by establishing market confidence in the standards of the Members.
- To ensure that the public receive the best practicable service from Members having regard to the nature and price of the goods or services supplied.
- To encourage the promotion and observance of good, ethical business practice among Members.
- To ensure that Members and their staff are familiar with the Federation's objectives and standards.
- To facilitate the suspension or expulsion from the Federation of any Member who commits a material breach of the Code.

INTERPRETATION AND APPLICATION OF THIS CODE OF PRACTICE

- This Code is designed to regulate the relationship and dealings of Members with
 - (i) members of the public; and
 - (ii) other Members; and
 - (iii) other persons or organisations who are not members of the Federation.
- This Code is to be read in conjunction with and to be conformed as necessary to all applicable law and regulation which relates to the marine industry and to each Member's business.
- This Code is intended to enable simple and practical enforcement of the provisions of the Code itself and of the Federation's Rules. The process for enforcement is that prescribed in the Rules of the Federation but Council will be encouraged to adapt that process to suit each complaint in a practical and economical manner.
- This Code recommends and provides for the fair resolution of Customer complaints by a system of Alternative Dispute Resolution (ADR).

DEFINITIONS

The following definitions are used in the Code:

Advertising:

Any means of promoting products or services.

Federation:

The British Marine Federation or BMF.

Customer:

An actual or prospective purchaser of any goods or services offered or provided by a Member. For the purposes of the Code no distinction is made between a Customer acting in the course of a business and one acting in a purely private capacity.

Code:

This Code of Practice.

Council:

The elected non-executive directors of the Federation sitting as Council.

Code of Practice Committee:

The Code of Practice Committee constituted in accordance with the Federation's Rules.

Force Major events:

Circumstances beyond the reasonable control of the Member which Directly prevent or delay the timely performance of a contract. Force Major events may include Acts of God, war or threat of war, riot, civil strife, industrial dispute, terrorist activity, natural or nuclear disaster, fire, abnormal weather conditions, changes in applicable legislation and trade embargoes.

Member:

A member of the Federation (other than a Regional or Group Association) including any parent, holding or subsidiary company or business of the Member.

1 CONDUCT OF BMF MEMBERS

1.1 Standard of Service

- 1.1.1 Members shall strive to maintain the best practicable standard of service to Customers having regard to the nature and price of the goods and services supplied;
 - 1.1.2 Members shall comply fully with all statutory and regulatory requirements applicable to their business, products and services, including in particular all safety regulations.
 - 1.1.3 Members will act fairly and honestly in all their business dealings and will maintain a professional attitude at all times.
 - 1.1.4 Members shall not conduct their business in a manner which tends to bring the Federation or its membership into disrepute.
 - 1.1.5 Members shall provide Customers with accurate and reliable information including as to price, specification and time of delivery of their products and shall neither misrepresent nor misdescribe their products or services. So far as possible Members shall establish the individual requirements of each Customer before making recommendations to them.
 - 1.1.6 Members will at all times act in an environmentally responsible manner, observing law, the recommendations of the BMF Environmental Code of Practice and any other special or group code of conduct or practice that may apply to the Member.
- ### 1.2 Advertising
- 1.2.1 No Member shall commission or use advertising which tends to mislead Customers or the public at large.
 - 1.2.2 Members shall observe the requirements of all laws, regulations and Codes of Practice applicable in the place of advertising and the relevant area of circulation or broadcast.
 - 1.2.3 Any finding by a competent Court or enforcement authority or regulatory body against a Member in respect of the obligation set out at paragraph 1.2.2 of the Code shall be deemed to be a breach of the Code.
 - 1.2.4 Members are encouraged to incorporate the Federation's logo in their corporate literature and visual advertising material provided always that they comply with the terms of Rule 3 of the Federation's Rules regarding use of the logo.
- ### 1.3 Privacy and Data Protection
- 1.3.1 Members shall comply with the Data Protection Act 1998 and any other related and applicable legislation in force in their geographical area of operation.

2 CONTRACTS WITH CUSTOMERS

2.1 Contract Forms

- 2.1.1 Members are strongly encouraged to maintain proper written records of the basis of agreement between them and their Customers in respect of all transactions entered into.
- 2.1.2 Members are strongly encouraged to transact their business upon the Federation's standard form contracts and terms of business wherever practicable and should only depart from such terms in the case of contracts with consumer Customers where they are accepting an equivalent or higher standard of contractual responsibility toward the Customer than provided by the standard form, or by the standard forms of other trade bodies relevant to the particular trade.
- 2.1.3 Members shall not trade upon edited or amended copies of the Federation's standard form contracts or Terms of Business without making the extent of such editing or amendment clear to the Customer before entering into any contractual arrangements.

2.2 Custom terms

- 2.2.1 Where the terms of the Federation's standard form agreements and terms of business are inappropriate and custom designed contract terms are to be applied the provisions set out at paragraphs 2.3 to 2.6 inclusive shall be respected:

2.3 Warranties

- 2.3.1 Where a Member supplies a warranty or guarantee free of charge to consumer Customers it shall comply with the requirements of the Sale and Supply of Goods to Consumers Regulations 2002 or equivalent legislation under the law of the contract.

2.4 Liability

- 2.4.1 A Member shall include, as a term of any contract of sale or supply of services, clear provisions allocating responsibility for the proper performance of the contract and for the acts and omissions of its subcontractors. A Member shall not be required to accept responsibility where the failure to perform the contract or the improper performance of the contract is due neither to the fault of the Member or that of its employees or agents because the failure –
 - 2.4.1.1 Is attributable to the Customer, or
 - 2.4.1.2 Is due to Force Major events
- 2.4.2 Except in the case of damage involving death or personal injury a Member shall be entitled to limit its liability to a reasonable level provided the limitation is clearly stated in the contract terms. For the avoidance of doubt this Paragraph 2.4.2 shall not preclude a Member from relying upon any statutory or common law rights to limit or exclude its liability even for damage involving death or personal injury.
- 2.4.3 Where the contract services consist of carriage by air, by sea, or by rail, a Member shall be entitled to limit its liability in accordance with the relevant international conventions, which govern such services.
- 2.4.4 A Member shall not include as a term to any contract of sale, clauses which purport to:
 - 2.4.4.1 Exclude liability for misleading statements made by the Member, its employees or agents; or
 - 2.4.4.2 Exclude liability for any alleged cause of dissatisfaction by stipulating that such cause must be made known to the Member within a fixed period that is unreasonably short.

2.5 Law

- 2.5.1 A Member shall not attempt to oust the application of relevant consumer protection legislation by nominating a governing law for the contract other than the law of the country with which the transaction has the closest connection, or the law of the states in which the Member and the Customer are domiciled.

2.6 Dispute Resolution

- 2.6.1 Where appropriate Members shall encourage their Customers to refer disputes which arise between them, and which cannot be amicably settled, for resolution under the arbitration scheme devised by the BMF with the Chartered Institute of Arbitrators and Royal Yachting Association (Marine Dispute Resolution Rules).

3 CONDUCT BETWEEN MEMBERS AND CUSTOMERS AND BETWEEN MEMBERS AND THE FEDERATION

3.1 Transactions and Correspondence

- 3.1.1 In the event of a dispute between a Member and a Customer, all correspondence shall, wherever possible, be dealt with within the following time limits:
 - 3.1.1.1 An acknowledgement shall be sent not later than 21 days from the date of receipt of correspondence: and
 - 3.1.1.2 A detailed reply, or a reply containing a detailed explanation for any delay, shall be sent not later than 28 days from the date of receipt of correspondence. If a matter that comes within the scope of this Clause 3.1 is dealt with other than in writing, the Member shall nevertheless produce evidence in writing or other appropriate form that the matter has been dealt with in accordance with the time limits stated above.

3.2 Complaints

- 3.2.1 In the event of a complaint by a Customer, Members shall make every reasonable effort to reach a swift and fair solution.
- 3.2.2 Where a transaction has taken place "on-line" Members shall accept "on-line" complaints from Customers and deal with them within an appropriate period of time, which time period shall be no longer than that set out in Clause 3.1
- 3.2.3 Retailers shall make every reasonable effort to deal with complaints of a minor and general character with a view to avoiding recourse to suppliers. When complaints are of such a nature that reference to the supplier is necessary, a Retailer shall use his best endeavours acting as an intermediary to bring about a satisfactory conclusion.
- 3.2.4 Any unresolved complaint arising out of an alleged breach of contract or negligence by a Member may be referred to mediation or arbitration arranged with the Chartered Institute of Arbitrators under the terms of the Marine Dispute Resolution Rules. It shall be subject to such time, financial and other restrictions as from time to time shall be agreed.

4 GENERAL CONDUCT

4.1 Misleading Use of the BMF Logo, etc.

- 4.1.1 A Member shall not, directly or indirectly, cause, permit, assist, encourage or in any other way provide any person, company or firm not in membership of the Federation with the opportunity to represent itself as a Member or as being associated with or connected to the Member or the Federation in any way that is likely to mislead any person by the use of the Federation logo.
 - 4.1.2 Where a Member is alleged to be in breach of this provision the Member shall comply with any requirement placed upon it by the Federation within any time limit that may be specified.

4.2 Payment of Debts

- 4.2.1 Members shall settle all debts properly due without any undue delay or within any period agreed with the creditor.

4.3 Insurance

- 4.3.1 Members shall carry appropriate levels of insurance cover with insurers authorised to conduct insurance business in the Members' geographical area of operation so as to comply with
 - 4.3.1.1 their statutory obligations to insure in respect of Employer's Liability and motor risks, and
 - 4.3.1.2 any professional body requirements they may be under in respect of professional indemnity insurance

- 4.3.1.3 prudent risk assessment principles in respect of public liability, occupiers' liabilities, product liabilities and bailee's liabilities
- 4.4 Intellectual Property Rights
- 4.4.1 Members shall respect the intellectual property rights of third parties' and shall not market, sell or facilitate the sale of counterfeit goods or pirated material; nor shall they abuse or infringe trademark, patent or design right registrations in any jurisdiction.
- 4.4.2 They shall supply Customers with good title to all intellectual property rights reasonably necessary to use the goods or services they supply in the manner intended and advertised without infringing the rights or interests of any third party in those goods or services.
- 4.5 On-line
- 4.5.1 In addition to the other provisions of this Code any Member transacting business or transferring data on-line (including the use of E-mail) shall use commercially reasonable security procedures to protect Customer information and payment details and to guard against the distribution of electronic viruses.

5 INFRINGEMENTS AND ENFORCEMENT

- 5.1 If any infringement of this Code is alleged against a Member, the facts shall be reported to the Federation for preliminary investigation by the officers employed by the Federation.
- 5.2 The Member against whom the allegation has been made shall provide such further information or documents as may be required by the Federation within the period they specify and will permit any officer or authorised representative of the Federation to carry out any inspection of goods or premises as the Federation shall consider appropriate.
- 5.3 If the Federation concludes, as a result of the preliminary investigation, that the facts alleged against the Member constitute infringement of the Code but that finding is disputed by the Member concerned then the matter may either,
 - 5.3.1 With the agreement of the Member concerned, be referred to Alternative Dispute Resolution arranged with the Chartered Institute of Arbitrators under the terms of the Marine Dispute Resolution Rules (Appendix 2). The process shall be subject to such time, financial and other restrictions as from time to time shall be agreed; or
 - 5.3.2 the matter will be submitted to the Code of Practice Committee, who shall consider whether the complaint should be heard by themselves or be submitted to independent adjudication, by an adjudicator drawn from the list held by the Chartered Institute of Arbitrators in respect of the Marine Dispute Resolution Rules.
- 5.4 The Power of the Code of Practice Committee to suspend a Member as set out in paragraph 7 of Rule 4 of the rules of the Federation shall become exercisable in the case of any complaint of a serious nature involving allegations of dishonesty on the part of a Member immediately upon receipt of the complaint and constitution of the Code of Practice Committee.
- 5.5 The Code of Practice Committee shall be obliged to act in good faith at all times but neither the Committee, nor the Federation nor any individual member or group of members of the Committee, nor any officer of the Federation shall have any liability to any Member against whom complaint has been made or disciplinary action taken either in damages or costs, however described, beyond the gross aggregate sum of £1 for each member of the Code of Practice Committee.
- 5.6 Council shall arrange for the decisions of the Code of Practice Committee or of an adjudicator to penalise a Member, and the reasons therefore, to be published.

FURTHER INFORMATION

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