

Membership

Extract of rules from the NMBS rule book

- 4.1.** The Society's objects are:
- 4.1.1.** to carry on the trade, business and industries of merchants, distributors, factors, importers, agents and dealers in all manner of materials for the building trades, including stone, brick, concrete, cement, metals, alloys, plastics, wood, glass, paint and electrical goods and;
- 5.1.** The Members shall be the persons or legal entities admitted as Members from time to time.
- 5.2.** No person shall be admitted as a Member unless it is bona fide carrying on business of the type mentioned in Rule 4.1.1 above and whose Admission is subject to (i) the satisfaction of the Financial Criteria and (ii) nomination by two Board Members.
- 5.3.** Admission is at the absolute discretion of the Board. The Board may refuse Membership to any applicant and is under no obligation to provide reasons for its decision to refuse such admission.
- 5.4.** Application for Membership by a merchant company, which is owned, in part or in whole, by a construction company, will be considered at the absolute discretion of the Board. In addition to the requirements of Rule 5.2 above, the Board must be satisfied that such an applicant is carrying out bona fide merchanting business, prior to such an applicant being admitted as a Member.
- 5.5.** Every Member is required to hold at least 10 Shares subject to the following:
- 5.5.1.** no Member (other than a society registered under the 1965 Act) shall hold an interest exceeding £100 in Shares;
- 5.5.2.** each person admitted to the Membership shall pay a premium of £120 on each of the first 10 Shares he purchases, but no premium shall be payable for any Shares he may purchase above that number, nor shall any premium be payable by any Member on a Share purchased other than in the circumstances stated above;
- 5.5.3.** each Applicant shall be deemed to have applied for 10 Shares and shall pay the amount due in respect of them in accordance with Rule 9.
- 5.6.** In the event of a Change of Control of a Member or its business, the new owners shall within 3 months of such change make a new application for Membership and failing such application being made within 3 months, the Membership shall automatically cease and the amount paid up on the Member's Shares shall be repaid. Applications made within the 3 month period, shall be treated as though they are an application for new Membership and the relevant Rules will apply.
- 5.7.** A Member shall automatically cease to be a Member in the following eventualities:
- 5.7.1.** in the case of an individual Member, the Member's death;
- 5.7.2.** the expulsion of a Member in accordance with Rule 26 or otherwise;
- 5.7.3.** the withdrawal of the Member from the Society in accordance with Rule 27 or otherwise;
- 5.7.4.** a Member not complying with Rule 5.6;
- 5.7.5.** on an Insolvency Event;
- 5.7.6.** in the event the Member ceases to exist or trade; and
- 5.7.7.** failure by a Member to contract with the Society for the required minimum amount of annual business in accordance with Rule 13.3.
- 5.8.** Subject to Rule 6 below, the liability of the Members is limited to the amount, if any, unpaid on the Shares held by them.
- 6.1.** All Members are required to pay the Society in cleared funds no later than two working days following the last day of the month in respect of the previous months' invoices. For example April invoices to be settled with cleared funds no later than two working days following the end of May.
- 6.2.** If trade with any Supplier (for any reason) ceases to be channelled through the Society, that Supplier's account with the Member shall be settled in full to the Society (no deduction for Holds) on the due date near the end of the month following the change in invoicing arrangements.
- 6.3.** If a Member makes any unauthorised underpayments or is late in paying any monies to the Society pursuant to these Rules, either in part or in full, of a monthly account, any cash discounts normally allowable will be disallowed or forfeited.
- 6.4.** Each Member must provide a copy of their audited Accounts to the Secretary within 6 months of the respective financial year end. In the event of non-production within 6 months, then the relevant draft Accounts must be provided in their place.
- 6.5.** Periodically, the Society, in the course of its risk management procedures, will undertake due diligence on a Member. For this purpose, when requested, the Society will require access to management accounts, forecasts, ledgers, banking facilities and any other information deemed necessary in order enable the Society to set credit facilities for the Member.
- 6.6.** Corporate Members must inform the Secretary of the structure of their organisation and its ownership details, and immediately notify to the Secretary full details of any subsequent changes thereof.
- 6.7.** Failure to perform any of the financial duties set out in these Rules will render a Member liable to expulsion in accordance with Rule 26.