

MEMBERSHIP RULES

**Revised
June 2018**

A. MEMBERSHIP

- A1. Membership of the Association shall be open to all short term lenders. Short term lenders are for these purposes defined as those undertakings which provide loans of 24 months or less secured on real property as their principal or as a significant proportion of their business. All applications for Membership of the Association shall be made in writing in such form as the Executive Committee shall from time to time prescribe and shall be accompanied by such application fee as may be required by the Executive Committee from time to time. Applicants shall provide the Executive Committee with such information as the Executive Committee shall require in order to consider the application.
- A2. The Executive Committee shall circulate and invite all short term lenders to apply for Membership of the Association and use its reasonable endeavours to maximise the Membership of the Association.
- A3. The Executive Committee shall determine enquiries to be made into applications for membership to include:-
- full ownership details;
 - brief trading history; and
 - a record of contested litigation and matters referred to the Financial Ombudsman Service or the Financial Conduct Authority enforcement section whether or not any action was taken against the applicant by the Financial Conduct Authority in the previous 3 years.
- A4. The Chief Executive Officer of the Association (CEO) will receive and investigate all applications for Membership and Associate Membership. On completion of his enquiries into such an application; if he is satisfied with the results of his enquiries; he will recommend the application to the Executive Committee for approval. The Executive Committee will then vote on the application. For the application to be approved, a majority of the members of the Executive Committee must vote in favour of it. If the vote is tied, then the application will be rejected.
- A5. If a majority of the Members of the Executive Committee approve, then the CEO will circulate all members with a summary of the information obtained. Members will only respond to the CEO and the Executive Committee if they have specific objections because they are aware of circumstances where the firm may not be fit and proper to become a member of the Association. The source of these objections will be kept confidential by the CEO and the Executive Committee.
- A6. If no such objections are received within two weeks of transmission of the summary, the application will be deemed to have been approved.

- A7. Where such objections are received, the Executive Committee will further investigate these and decide by majority vote if the application should be decided on by all the members, in which case the information will be circulated to all members who will be requested to vote on the application. For a positive result, a majority of 70% of those members who vote within two weeks of transmission of such information will be required.
- A8. Alternatively, the Executive Committee will decide that either the circumstances are such that the application for membership should be rejected without recourse to members, or that the objection is not sufficient to justify rejection of the application, in which case the application will be approved by a majority the members of the Executive Committee.
- A9. Applicants for Membership who are not able to show a 1 year trading history may be invited by the Executive Committee to become Members on a probationary basis for twelve months and, subject to compliance with these Rules and the Code of Conduct of the Association (“the Code”), will be invited to become full Members of the Association on successful completion of the probationary period. Note that the probationary basis is not in use at the current time (July 2016).
- A10. The Executive Committee may at its discretion from time to time decide to reduce the subscription fees payable by Probationary Members who will not be entitled to use the trademark, name or logo of the Association and will have restricted access to the Association unless and until they are granted full Membership.
- A11. Each Member shall pay by way of entrance fee and annual subscription such amounts (if any) as may be determined from time to time by the Executive Committee in respect of each Member. A Member is not under any financial liability except for payment of the entrance fee and annual subscription.
- A12. The Executive Committee shall from time to time determine the times and manner for payment of annual subscriptions.
- A13. Applicants for Membership shall pay their entrance fee and first subscription (if any) on election and they shall not become Members until such entrance fee and first subscription (if any) have been paid.
- A14. Where a Member joins the Association part of the way through a membership year the Executive Committee may, at its discretion, charge that Member a proportion of the prevailing annual subscription fee, for that year only.
- A15. If any Member shall fail to pay any subscription within one month after being finally requested to do so (by the issue of a Final Request Notice), such person shall pending payment stand suspended from all rights and privileges of Membership.

- A16. If payment has not been received within 1 month of the issue of the Final Request Notice the Member's membership shall be automatically terminated without further notice and the Member shall from that time be regarded as an ex Member. The Association shall be entitled without further recourse to the ex-Member to make such appropriate changes to its website and other literature and make such announcements to the media as it sees fit.
- A17. Application, entrance and subscription fees are not refundable in whole or in part.
- A18. Each Member organisation shall be entitled to send one individual person to represent it and vote on its behalf at general meetings of the Association and appoint one individual person to serve as a Director of the Association and on any Committee of the Association. In the event of such individual person(s) resigning or otherwise leaving a Member organisation, he or she shall immediately cease to be a representative of such organisation and shall resign as a Director of the Association and from any committee of the Association.
- A19. The Association shall be entitled to prevent the use of the name of the Association by any Member or ex Member or impose conditions or regulations on the use of the name of the Association on any Member at any time.
- A20. It shall be the duty of every Member on request to give such relevant information as the Committee may from time to time reasonably require in connection with that Member's business.
- A21. Membership of the Association shall not be transferable and shall cease:-
- at the expiration of not less than 3 months' notice in writing of resignation from Membership given by a Member to the Association; or
 - where a Member's subscription shall not have been paid as set out in A13 above; or
 - where the Disciplinary Committee or the Appeal Committee resolves to terminate a Member's Membership because it considers that the Member has breached these Rules or the Code of Conduct or that the actual, anticipated or proposed conduct of the Member has or could bring the name of the Association into disrepute or otherwise damage its interests or that the Member concerned ceases to be qualified to hold such Membership provided that the Member concerned has been given an opportunity to make representations in person to the Disciplinary Committee and, where relevant, the Appeal Committee; or
 - on the Member being wound up or dissolved; or
 - on a Member ceasing to comply with the relevant membership criteria; or
 - on a Member ceasing to provide short term lending; or
 - where a Member is for any other reason in the opinion of the Executive Committee no longer entitled to be a Member of the Association.

B. EXECUTIVE COMMITTEE

- B1. The Executive Committee of the Association of Short Term Lenders Limited ("the Association") may from time to time make such rules as they may deem necessary or expedient for the proper conduct and management of the Association and for the purposes of prescribing conditions of Membership ("Membership Rules"). These are the Membership Rules initially adopted on 1 July 2008 (as subsequently amended).
- B2. Subject as mentioned below the policy and general management of the affairs of the Association shall be directed by an Executive Committee of a maximum of 6 representative Members/Directors and the CEO which shall meet not less than four (4) times a year.
- B2.1 As from 1 September 2018, one of the Directors will be elected by the Associate Members of the Association to represent their interests. Nominations for this role will be by Associate Members only, but all other respects, the other clauses of this section of the Rules (i.e. B. EXECUTIVE COMMITTEE) will apply.
- B3. An election for the Members of the Executive Committee (other than those who have served for only one year and who have indicated their willingness to continue to serve for a further year) shall be held annually.
- B4. All the members of the Executive Committee, except the CEO, shall retire after serving a maximum of two years; but shall be eligible for re-election for a further period of one year
- B5. Nominations for Members of the Executive Committee must be made by Members of the Association in writing and must be in the hands of the Chief Executive of the Association at least 7 days after nominations are requested. Should nominations exceed vacancies, election shall be by ballot and members shall be given 7 days to register their choice. Votes should be sent to the Secretary of the Association, who will keep these confidential and will advise the results to the CEO, who will distribute these to the members.
- B6. The Executive Committee shall be responsible for establishing a strategic agenda for the Association and deciding the issues to be addressed by the Association and its aims for the short-medium future.
- B7. The Executive Committee may appoint such special or standing committees as may be deemed necessary by the Executive Committee and shall determine their terms of reference, powers, duration and composition.
- B8. Each special or standing Committee shall be responsible for choosing its own Chairman and for regulating its own proceedings.

- B9. The Executive Committee shall be responsible for appointing Members of any special or standing Committees provided that at least one member of any such Committee shall be an elected Member of the Executive Committee.
- B10. The Chairman of the Executive Committee shall be the CEO of the Association. If the CEO resigns or otherwise ceases to hold office as Chairman during his term of office, the Committee shall have power to elect a replacement Chairman to serve for the remainder of the term.
- B11. If the CEO resigns or otherwise ceases to hold office as CEO or director during his term of office, the Committee shall have power to elect a replacement to serve for the remainder of the term.
- B12. The CEO shall have overall responsibility for the day to day running of the Association.
- B13. The Committee shall approve the terms of any consultancy agreement between the Association and the CEO.
- B14. The office of a Member of a Committee and of a Director of the Association shall be vacated:-
- if the individual, being a representative of a corporate Member of the Association, becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - if the individual, being a representative of a corporate Member of the Association, is, or may be, suffering from mental disorder and either -
 - he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1984; or
 - an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
 - he is absent from 3 out of 5 consecutive meetings of the Committee and/or without good and sufficient reason and $\frac{3}{4}$ of the other Members of the Committee pass a resolution that the Committee Member shall be removed from office;
 - if, being a Member, he ceases to be a member of the Association; or
 - if the corporation, firm or organisation which is a Member of the Association and in which he holds office or is employed or represents ceases to be or to be entitled to be a Member; or
 - if he ceases to hold office or be employed in the corporation, firm or organisation which is a Member of the Association of which he was an office holder or employee at the time of his appointment; or

- he resigns his office by notice in writing to the Association; or
- he ceases to be eligible to be or to act as a Director of the Association.

B15. Where a Member of a Committee ceases to hold office under clause B14 above or otherwise during the term of his office then the Committee may fill such casual vacancy and any person so appointed shall hold office until the end of the current term of office of such Committee and shall be eligible for re-election if or when the next election for such Committee is held.

C. RULES OF PROCEDURE OF ALL MEETINGS

Quorum

C1. The quorum at a meeting of any Committee of the Association shall be the CEO and not less than two (2) other Directors of the Committee or such other number as the Association may in general meeting from time to time determine.

Voting

C2. Save as otherwise provided, all questions arising at any meeting of a Committee shall be decided by a simple majority of those present and entitled to vote. Arrangements for proxy voting may from time to time be made by a Committee. No person shall exercise more than one vote notwithstanding that he or she may have been appointed to represent 2 or more interests, but in case of an equality of votes the Chair of the meeting shall have a second or casting vote.

Meetings

C3. Standing and Special Committees shall hold meetings as determined by their respective Chairmen and must be called by him if requested by any two (2) members of that Committee.

D. COLLABORATION

D1. The Association may establish an association or collaboration with other trade bodies with similar aims where the Executive Committee reasonably considers that such association may assist the Association to meet its overall objectives and with the prior approval of not less than seventy percent (70%) of the Members.

E. PAYMENTS

E1. All moneys raised by or on behalf of the Association shall be applied to further the objects of the Association and for no other purpose provided that nothing herein contained shall prevent:

- the repayment to Members of any Committee of reasonable evidenced out-of-pocket expenses,
- the Executive Committee being entitled to effect policies of insurance or indemnity and paying any premiums thereon to cover the liability of the Members of any Committee (or any of them) which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, alleged defamation, breach of duty or breach of trust of which they may be guilty in relation to the Association; provided that any such insurance or indemnity shall not extend to any claim arising from any act or omission which the Committee (or any of them) knew to be a breach of trust, or breach of duty, or which was committed by the Committee (or any of them) in reckless disregard of whether it was a breach of trust or breach of duty or not.

F. GENERAL

Premises

- F1. The Association shall obtain such office accommodation as the Executive Committee shall determine is appropriate from time to time from which it will operate and engage such staff and consultants as may be necessary for the proper administration of the Association and in order to achieve its objectives.

Website

- F2. The Association shall maintain a website at www.theastl.org

Code of Conduct

- F3. The Members of the Association shall be subject to the Code of Conduct of the Association in force from time to time, a copy of which will be available by application to the Association.

Interpretation

- F4. Any reference in these Rules to a statutory or regulatory provision shall include any subordinate legislation or provision from time to time made under that provision and shall be construed as a reference to that provision as from time to time modified or re-enacted.
- F5. Words importing the singular number only shall include the plural number and vice versa. Words importing the masculine gender only shall include the feminine and neuter gender. Words importing persons shall include firms and corporations.

- F6. In the event of any dispute or disagreement as to the interpretation of these Rules or as to any question or right arising from or related to them the decision of the Executive Committee shall be final and binding upon all persons.