



**ASSOCIATION OF FRANCHISED DISTRIBUTORS OF  
ELECTRONIC COMPONENTS (A.F.D.E.C.) LIMITED**

**BYE-LAWS**

**1. QUALIFICATION FOR MEMBERSHIP**

**MEMBERS**

(1) Candidates for admission as Members shall be companies registered in the United Kingdom who satisfy the Council that :

- (a) they have an annual turnover of not less than £5,000,000 in goods for which they are franchised;
- (b) this turnover of franchised goods represents at least 75 per cent of their electronic component distribution business.
- (c) they hold stocks of goods for which they are franchised to the value of not less than 2 months sales at cost (6 x stock turn).
- (d) they have held one or more franchises for a minimum period of 24 months; and
- (e) they can meet their financial commitments.
- (f) they have attained ISO 9002 approval.
- (g) Members must continue to meet these requirements after election.

The expression "franchised distributor" shall in these Bye-Laws have the meaning ascribed thereto in the Memorandum of Association of the Association.

**SUSTAINING MEMBERS**

(2) Companies registered in the United Kingdom who satisfy the Council that:

- (a) Such candidate company is a manufacturer of electronic components or is the subsidiary of such a manufacturer which holds a majority of the issued voting capital in such candidate company, and

(b) the candidate company or the present company thereof as aforesaid has been in business as a manufacturer of electronic components for a period of at least two years, and

(c) the candidate company or its parent as aforesaid is appointing franchised distributors may in the discretion of the Council be considered for membership as Ordinary Sustaining Members. Fulfilment of the above requirements shall be a condition of continuation of Ordinary Sustaining Membership and any company so admitted shall supply such evidence as the Council may from time to time require as to fulfilment thereof .

(d) trade associations and other interested bodies having a connection with the electronic component industry and who wish to support the Association, its aims and objects may in the discretion of the Council be considered for membership as Ordinary Sustaining Members.

## **ASSOCIATE MEMBERS**

(3) Companies registered in the United Kingdom.

(a) who fulfil the requirements for full membership under the provisions of Rule 1 (1) hereof, with the exceptions of Rule 1 (1) (a). \*

(b) who satisfy the Council that 75 per cent or more of the capital carrying voting rights in such company are held by a full Member or the holding company of a full Member admitted under Rule 1 (1) hereof may be considered for membership as Associate Members.

\* Associate Members may be accepted if they have an annual turnover of not less than £1,000,000 in goods for which they are franchised.

(4) All Members will be entitled to receive copies of AFDEC statistical information and any other information regarding the activities of the Association as determined from time to time by the Council. Associate Members may attend any General Meeting and participate thereat without voting. Associate Members may from time to time receive notice to attend and by invitation to vote at any General Meeting of the Association at the discretion of the Council.

All AFDEC Members may serve on Council and are entitled to vote as Council Members regardless of membership type.

## **2. ELECTION OF MEMBERS**

(1) Every application for membership other than for Sustaining Membership shall include an undertaking to observe the provisions of the Memorandum and Articles of Association and the Bye-Laws of the Association for the time being in force and to supply to the Association or its Accountants statistical and other information as hereinafter provided and shall otherwise be in such form as the Council shall from time to time prescribe.

(2) At the next meeting of the Council after receipt of any application for membership, such application shall be considered by the Council, who shall thereupon determine upon the admission or rejection of the applicant. The determination of the Council

shall be absolute and final and in no case shall the Council give or be required to give any reason for the rejection of an applicant.

(3) The Secretary of the Association shall forthwith notify each applicant of the Council's determination. In the case of a company whose application for membership has been approved by the Council, the admission to membership shall not take effect and the applicant's name shall not be added to the Register of Members of the Association until the first annual subscription shall have been paid, provided always that the Council may waive this requirement in respect of members who shall be admitted within three months of the incorporation of the Association. In the event of non-payment of such subscription within a period of three months, the determination of the Council for admission and all subsequent proceedings relating to such applicant shall be null and void.

### **3. SUBSCRIPTIONS**

(1) The annual subscription of Major Distributor groups with UK sales in excess of £50M will be £2525.00 per annum. This subscription covers the principal member and its subsidiaries.

(2) The annual subscription of each Distributor Member will be £805.00 per annum.

(3) The annual subscription of each Sustaining Member shall be £805.00 per annum.

(4) The annual subscription of each Associate Member shall be £360.00 per annum.

Such fees for Members, Sustaining Members and Associate Members will be payable in advance due on the 1st April in each year and in the case of new members shall be due and payable on election. The fees payable by new members will be on a monthly pro rata basis for the unexpired portion of the year but so that a part of a month shall be calculated as a whole month.

### **4. TERMINATION OF MEMBERSHIP**

(1) If any Member or Sustaining Member shall neglect to pay the membership fee or subscription within 60 days after the same has become due from it, such member may at the discretion of the Council be suspended from all rights and privileges of membership and such suspension shall continue until payment in full of all arrears by the member so suspended or until the determination of the membership of the suspended member.

(2) The Council may at any time request any member to give to the Council either verbally at a Council Meeting or in writing particulars or explanation in regard to any act done or omitted by it which in the opinion of the Council is a breach of the Articles of Association or the Bye-Laws of the Association or is or might be deemed to be prejudicial to the Association or its members collectively or the electronics trade or industry. A request under this Bye-Law shall be in writing and shall name a time not being less than 14 days from the date thereof within which the member concerned shall comply with the request by attendance at a Council Meeting or by written explanation as the case may be.

(3) Any member may be removed from membership of the Association by resolution at a Council Meeting passed by a majority of not less than two thirds of the entire

Council. Such member shall be given fourteen clear days notice of any Council Meeting convened for considering its removal and it may by its executive representative attend the meeting to make such explanation as the Council may ask for but shall not be present at the discussion or vote or take part in the proceedings otherwise than as the Council may allow. All proceedings in regard to the removal of a member under this Bye-Law shall be deemed to be absolutely privileged and no member so removed shall be entitled to have any reason given by the Council for its decision.

(4) Membership shall also cease:-

(a) If a member be dissolved or go into liquidation whether voluntary or compulsory (otherwise than for the purpose of reconstruction) or if a receiver for debenture holders be appointed for any assets of the member and the member does not satisfy the Association that such receiver has been discharged within three calendar months from his appointment or if such member makes conveyance or assignment of its property to a trustee or trustees for the benefit of or executes any deed of arrangement in favour of or makes any composition with its creditors generally or any class of its creditors.

b) If the Council shall decide that a member ceases to comply with the qualifications for membership set out herein.

(c) If the member's subscription shall be in arrear for more than 90 days or such extended period (if any) as may be allowed by the Council.

## **5. EXECUTIVE REPRESENTATIVES**

(1) Each member of the Association shall appoint an executive representative who shall fulfil the qualifications set out in the Articles of Association. Any member may also appoint one deputy who shall have power in the absence of its executive representative to act in his place.

(2) All such appointments shall be in writing in such form as shall from time to time be prescribed by the Council and shall be lodged with the Secretary of the Association. No appointment shall be effective until 48 hours shall have elapsed from the appointment being lodged with the Secretary of the Association but the Council may waive this requirement if it shall think fit.

(3) A member may at any time revoke such an appointment and appoint another Executive Representative or deputy from time to time.

(4) An Executive Representative (or his deputy acting in his absence as aforesaid) shall have full authority to act for the member appointing him in all matters relating to the Association's operations and activities.

## **6. THE COUNCIL**

(1) At the Annual General Meeting held in 1988 the elected Members for the time being of the Council in excess of six in number shall retire from office. If necessary to create a sufficient number of vacancies, the members of the Council (other than the Chairman) shall retire in order of seniority according to the continuous period that they have been members of the Council and in case of equal seniority the order of retirement shall be determined by lot.

The members of the Council not so retiring shall continue in office until the next succeeding Annual General Meeting. At each Annual General Meeting nominations shall be received for candidates for the Council to fill the vacant places for the ensuing two years and, should there be more nominations than there are vacancies, those to be elected shall be decided by ballot either at the Annual General Meeting or by postal vote, save that priority shall be given to four candidates who are not retiring from the immediately previous Council. Members of the Council so elected shall hold office until the next Annual General Meeting but one after their respective appointments (unless he shall be the Chairman or past Chairman in which event he shall hold office as provided in Bye-Law 6 (3) and (4) and thereafter until the new members of the Council are appointed).

(2) Any retiring member of the Council may offer himself for re-election.

(3) The Council shall from time to time elect or appoint a Chairman who shall be entitled to preside at all meetings of the Council at which he shall be present.

(4) Such Chairman may be elected from the members of the Council and the Council shall determine for what period he shall hold office.

(5) Such Chairman may be appointed from other than the elected members of the Council or Executive Representatives of members of the Association but any such Chairman shall not thereby be or be deemed to be a member of the Council and shall not vote on any proceedings of the Council or of the Association or be entitled to exercise a casting vote. Any appointment of such Chairman shall be for such period expiring not later than immediately after the next ensuing Annual General Meeting of the Association and upon such terms as to remuneration or fees as the Council shall from time to time determine. After each Annual General Meeting of the Association the new Council then constituted may make a new appointment of such person or any other person they may think fit as Chairman.

(6) If no such Chairman be elected or appointed, or if at any meeting the Chairman be not present within five minutes after the time appointed for holding the meeting and willing to preside, the members of the Council shall choose one of their number to be Chairman of the Meeting.

## **7. TREASURER**

The Council may from time to time appoint and remove a Treasurer who shall be given notice of and may attend meetings of the Council but he shall not be entitled to vote thereat unless he shall also be an elected member of the Council.

## **8. HONORARY PRESIDENT**

An Honorary President of the Association may be elected or removed at any General Meeting of the Association. He shall be entitled to receive notice of and may attend any meeting of the Council but shall not be entitled to vote thereat unless he shall also be an elected member of the Council.

## **9. STATISTICS**

(1) For the purpose of collecting statistics and gaining information relating to the electronic component and accessory trade and industry and analysing and

disseminating the same, members shall supply in confidence to the auditors of the Association such statistical and other information in such form and at such intervals as the Council shall from time to time direct relating to components and accessories dealt in by members of the Association or relating to any other matters upon which the Council shall consider that statistics and information are required.

(2) The Council may prescribe the terms and conditions upon which such statistics and information shall be received with the object of ensuring that statistics and information relating to members individually are not disclosed to other members or to any other person except the auditors of the Association.

(3) The Council may prescribe the manner in which such collective statistics and information shall be circulated or published to members and others

(4) The Council may on such grounds as it thinks fit relieve any member or members wholly or partially from the obligation to supply statistical and other information as aforesaid.

## **10. STOCKS**

A franchised distributor must carry at its own expense stocks of franchised products.

*Amended: 25/8/82, 27/6/84, 10/7/85, 9/7/86, 31/7/87, April, 1991, 2/7/91, 7/4/92, 5/8/92, 2/10/92, 19/4/95, 7/7/97, 9/7/98, 13/6/2000, 25/5/2004, 1/12/2005, 8/2/2007.  
Special Resolution 14/6/90 / EGM Sept 2007*

*AFDEC BYE-LAWS*

*20<sup>th</sup> September 2007*