

**R U L E S**

**OF**

**FAMILY ASSURANCE**

**FRIENDLY SOCIETY LIMITED**

**Registered Number 939F**

Effective from ~~14 May 2018~~ XX Month 2021.

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## **Rule 1 - Membership**

- 1.1 The members of the Society shall be such persons as shall be admitted to membership of the Society either by the Board or by such other officer, employee or agent of the Society as shall from time to time be appointed by the Board for the purpose.

In considering persons for admission to membership, the Board and/or any such delegate shall ensure eligibility for membership as provided in these Rules but may otherwise admit persons to membership as seen fit on the basis of perceived member engagement principles and on a cohort by cohort basis that may depend upon product or policy type, those persons' customer acquisition route, access to or availability of communication channels with such persons and/or any other criteria that may be considered appropriate.

- 1.2 Subject to approval being given in the manner described in Rule 1.1, membership of the Society is open to any individual regardless of age who holds one or more active products issued by the Society or by one of its subsidiaries.

For the avoidance of doubt:

- (a) a product that has been terminated or in respect of which the premiums have been forfeited is no longer active; and
  - (b) a product is only "issued" by the Society or one of its subsidiaries where the primary risk in respect of such product is borne or where the product is otherwise provided by the Society or such subsidiary as appropriate and products marketed and/or branded but not also "issued" by the Society or any such subsidiary will not give rise to eligibility to membership of the Society.
- 1.3 No person shall be allowed to continue as a member of the Society, nor shall their policies be allowed to remain in force;
- a) if, in respect of policies issued under tax-exempt life or endowment business, the aggregate of the gross sum or sums assured, or the aggregate of the annual amount or amounts payable by way of annuity under any policies effected by that person with the Society, or with other friendly societies, would as a consequence of the continuance of that policy or those policies exceed the limits from time to time prescribed by statute; or
  - b) if, in respect of policies which are issued under life or endowment business which is not tax-exempt, the aggregate of the gross sum or sums assured, or the aggregate of the annual amounts payable by way of annuity under policies effected by that person with the Society, or with other friendly societies, would as a consequence of the continuance of that policy or those policies exceed the limits from time to time prescribed by statute;

provided that for the purpose of this Rule 1.3, any addition declared upon an assurance or a gross sum of annuity by way of bonus or unit-linking shall be disregarded.

- 1.4 Any person intending to become a member of the Society shall apply in such manner and with such documentation as the Board may, from time to time, require. If any false statement in the application or any material fact has not been disclosed, then membership and any product provided may, at the discretion of the Board, be rendered null and void and any monies which have been paid to the Society in respect of any product or otherwise may be forfeited to the Society.
- 1.5 In the case of an application for assurance on the life of a person whose circumstances, activities or whose state of health indicates an increased risk, the Society shall have the power to impose such restrictions as the Board or such officer, employee or agent of the Society from time to time appointed by the Board for the purpose, may consider adequate, or to reject the application without being under any obligation to give any reason for such action. It is incumbent upon any person admitted to membership of the Society to advise the Society of any change in his address, marital status or any other relevant facts which may from time to time occur and the Society shall not be held responsible for any consequences of any failure on the part of the member to advise such changes.
- 1.6 The Society shall be entitled to reject any application for assurance or accept the same upon such terms as the Society (or the person or persons for the time being appointed by the Board for the purpose) shall consider fit including, without prejudice to the generality of the foregoing, such restrictions as to age, travel, occupation or participation in hazardous sports or pastimes as shall be considered necessary or desirable.
- 1.7 A member who is a minor (being under the age of 18) may, if he is over 16 years of age, by himself, or if he is under that age by his parent or guardian, execute all instruments and give all receipts necessary to be executed or given under these Rules but shall not vote or hold any office in the Society, and may not nominate or join in nominating a person for election as a member of the Board.
- 1.8 In addition to the circumstances described above, membership of the Society shall cease:
  - (a) upon the death of the member; or
  - (b) upon the termination of all products issued to the member by the Society or by one of its subsidiaries.

## **Rule 2 - Register of Names and Addresses of Members**

- 2.1 The Society shall maintain a register of the names and addresses of the members of the Society.

- 2.2 The register shall be kept at the registered office of the Society or at such other place or places as the Board thinks fit.
- 2.3 Where it appears to the Society that the address shown in the register for a member is no longer current, the Society:
- a) may remove that address from the register; and
  - b) need not enter in the register an address for that member while it has no address for him and his whereabouts are unknown.

### **Rule 3 - Contributions and Benefits**

- 3.1 Every member of the Society may pay contributions and receive benefits as provided in the relevant product terms (which may include standard benefit tables) and such contributions shall be dealt with in accordance with Rule 364.
- 3.2 The terms on which the Society provides benefits shall be determined by the Board with reference to the relevant product terms (which may include standard benefit tables).
- 3.3 The Society shall, in respect of the Society's product terms:
- a) ensure that a copy of them shall be maintained by the Society's Secretary and retained at every office of the Society;
  - b) make copies of them available free of charge to members of the Society at every office of the Society;
  - c) send, free of charge, copies of them to any member of the Society who demands them; and
  - d) the Board will be responsible for preparing the Society's product terms and any changes to them shall be effective from the date of approval by the Board and shall not take effect retrospectively.
- 3.4 Notwithstanding the other provisions of these Rules and without prejudice to the terms of any policy or product held by any member, the Board may establish and operate, or may delegate to an appropriate sub-committee of the Board the establishment and operation of, member benefits programmes (to the advantage of members and/or persons associated with members) at its discretion but always within the purposes of the Society's benevolent activities as provided in the Memorandum, to be delivered directly by the Society or indirectly via the OneFamily Foundation (or any other OneFamily group company), in the form of grants, awards, subsidies and discounts and any such entitlements and any changes thereto may be communicated to members of the Society or those otherwise benefiting as the Board sees fit for the purposes of informing as to such member benefit programmes. The establishment and operation of such member benefits programmes shall at all times be subject to these Rules and shall not result in the Society undertaking activities that fall outside the scope of the purposes stated in the Memorandum.

#### **Rule 4 - Surpluses and Bonuses**

Distributions of surpluses and bonuses shall be determined by the Board after having sought the advice of the Actuarial Function Holder.

#### **Rule 5 - Reinsurance of Risks**

The Board may, after having sought the advice of the Actuarial Function Holder, provide for the reinsurance of any risk accepted, or to be accepted, by the Society.

#### **Rule 6 - Arrears**

No general period of grace shall apply for the payment of premiums or contributions to the Society in respect of any product issued by the Society and the Society's individual product terms shall provide the applicable payment terms for the same.

#### **Rule 7 - Claims and Benefits**

- 7.1 Whenever a claim for benefit is submitted, it must be accompanied by such evidence of validity as the Board may require.
- 7.2 No money shall be paid (except as provided by statute and Rule 10) upon the death of a member except upon the production at the registered office of the Society of:
- a) the product document and proof satisfactory to the Board of the age of the member on the date of death; and
  - b) a certificate of that death under the hand of the Registrar of Deaths or other person having care of the Register of Deaths in which the death is or ought to be entered; and
  - c) proof satisfactory to the Board of the title of the claimants or a copy of the grant of probate of the will of the member or of letters of administration to his estate or of a certificate of confirmation to his estate.

#### **Rule 8 - Management Fund**

- 8.1 The Society shall have a Management Fund, the purpose of which is to meet the necessary expenses incurred in the operation, management and development of the Society. These expenses shall be provided for by the fees and charges levied by and other income of the Society.
- 8.2 Without prejudice to the generality of the foregoing, the Board shall have the power to make such payments out of the Management Fund as the Board shall think fit to (and to act upon the advice of or information obtained from) any person, firm or company who shall, at the time, be acting as employees or agents of or advisers to the Board or which shall otherwise be providing services to the Society.

- 8.3 The Board shall have the power to transfer from the Management Fund to any other of the Society's funds any such amounts as it shall from time to time, after having sought the advice of the Actuarial Function Holder, consider to be surplus to the requirements of the Management Fund.

### **Rule 9 - Life Assurance Fund and Other Funds**

- 9.1 The Society shall have a Life Assurance Fund into which shall be paid the balance of the relevant product contributions, payable by the members, which shall remain after the deductions made pursuant to the relevant product terms.
- 9.2 The Society shall maintain any number of separately designated benefit sub-funds of the Life Assurance Fund, each of which shall comprise such identifiable assets comprising the Life Assurance Fund as the Board shall from time to time consider appropriate in respect of such fund in view of the provisions of the relevant product terms. Such benefit sub-funds shall be established for the sole purpose of quantifying benefits payable to members in accordance with the provisions of the product terms. Each benefit sub-fund shall be credited with the income and capital gains attributable to the assets so identified and shall be debited with any costs incurred in relation to the acquisition or disposal of these assets, together with such sums as may be debited or credited in accordance with the provisions of the product terms. The Board shall also have the power to maintain a separate sub-fund of the Life Assurance Fund to be known as the Reserve Fund.
- 9.3 Subject as herein provided the Board shall be entitled to make such transfers to and from each of the sub-funds as shall be permitted by these Rules and by the relevant product terms and to pay out of such one or more sub-funds the whole or any part of any amount becoming payable under any product issued by the Society, after having sought the advice of the Actuarial Function Holder.
- 9.4 The Board shall have the power to transfer from the benefit sub-funds to the Management Fund or to the Reserve Fund any such amounts as shall be determined by the Board, after having sought the advice of the Actuarial Function Holder.
- 9.5 The Board shall have the power to pay from the Reserve Fund any premium necessary to re-insure such part or all of the members' benefits as it considers to be prudent or necessary and all or part of any amount payable to any member, in each case after having sought the advice of the Actuarial Function Holder. The Board shall also have the power to transfer from such Reserve Fund to any other of the Society's funds any such amount as it shall from time to time consider, after having sought the advice of the Actuarial Function Holder, to be surplus to the requirements of the Reserve Fund.
- 9.6 The Society may operate such other investment funds as the Board may consider appropriate and the same may be operated by the Society as the Board sees fit (including with features such as ring-fencing and insulation from the Society's other activities) having regard to the relevant regulatory requirements, the obligations of the Society, the relevant product terms and the advice of the Actuarial Function Holder.



## **Rule 10 - Nominations**

- 10.1 A member, not under the age of 16 years, may nominate a person or persons to whom any sum of money payable by the Society on his death or any specified amount of money so payable shall be paid at his decease, but the total amount which may be so nominated shall not exceed £5,000 or such higher amount as, by virtue of an order under section 6 of the Administration of Estates (Small Payments) Act, 1965, may for the time being apply for the purposes of the enactments specified in subsection (1) of that section.
- 10.2 All such nominations shall be made by writing, under the hand of the member, delivered at or sent to the registered office of the Society, or made in a book kept at such office.
- 10.3 The person or persons so nominated must not at the date of the nomination be an officer or employee of the Society unless that officer or employee is the husband, wife, civil partner, father, mother, child, brother, sister, nephew or niece of the nominator.
- 10.4 A nomination so made may be revoked or varied by any similar document under the hand of the nominator, delivered, sent or made as aforesaid, but a nomination is not revoked by a subsequent will.
- 10.5 The marriage or civil partnership of a member shall operate as a revocation of any nomination previously made by him.
- 10.6 Where the Society has paid money to a nominee in ignorance of a marriage or civil partnership subsequent to the nomination, the receipt of the nominee shall be a valid discharge to the Society.

## **Rule 11 - Convening General Meetings**

- 11.1 The Board shall determine whether a general meeting is to be held as a physical general meeting and/or an electronic general meeting. The Board may call general meetings whenever and at such times and places including on electronic platforms, as it shall determine.
- 11.2 The Board shall specify in the notice calling the general meeting whether the meeting will be physical and/or electronic. Such notice shall also specify the time, date and place and/or electronic platform(s) of the general meeting.

## **Rule 12 - Electronic General Meetings**

- 12.1 The Board may resolve to enable members entitled to attend an electronic general meeting to do so by simultaneous attendance by electronic means with no member necessarily in physical attendance at the electronic general meeting. The members or their proxies present shall be counted in the quorum for, and entitled to vote at, the general meeting in question, and that meeting shall be duly constituted and its proceedings valid if the chair of the general meeting is satisfied that adequate facilities are available throughout the electronic general meeting to ensure that members attending the electronic general meeting who are not present together at the same place may attend and participate in the business of the general meeting.

12.2 If it appears to the chair of the general meeting that the electronic platform(s), facilities or security at the electronic general meeting have become inadequate for the purposes referred to in Rule 12.1, then the chair may, without the consent of the meeting, interrupt or adjourn the general meeting. All business conducted at that general meeting up to the time of that adjournment shall be valid and the provisions of Rules 17.2, 17.3 and 17.4 shall apply to that adjournment.

12.3 In relation to an electronic general meeting, the right of a member to participate in the business of any general meeting shall include, without limitation, the right to speak, vote on a poll, be represented by a proxy and have access (including electronic access) to all documents made available at the meeting.

12.4 Nothing in these Rules prevents a general meeting being held both physically and electronically.

### **Rule 134 - Annual General Meeting**

134.1 The Society shall hold an annual general meeting in each year, at such hour, date and place, including electronic platforms, as the Board shall determine.

134.2 Not more than 15 months shall elapse between the date of one annual general meeting and that of the next.

134.3 The Board shall lay before the members at the annual general meeting the Annual Accounts of the Society for the last financial year of the Society before the date of that meeting, and shall also submit to them a report by the Board (called in these Rules the "Board's Report") on the activities of the Society and the Board's Report shall include the information required by or under the Act.

134.4 In these Rules, 'Annual Accounts' means the class of document (including the notes to them) the Society is required through the Board or otherwise (unless otherwise exempted) by or under the Act to prepare by way of accounts for itself individually and, if the Society has subsidiaries, by way of group accounts for the Society and its subsidiaries.

134.5 The report of the auditors on:

- a) the Annual Accounts laid before the annual general meeting; and
- b) the Board's Report

shall be laid before that meeting and shall be available for inspection by any member.

134.6 No business shall be transacted at an annual general meeting, and no resolution shall be brought forward at any such meeting, except as may arise upon:

- a) the Annual Accounts laid before the meeting;

- b) the Board's Report;
- c) the report of the auditors on the documents listed in a) and b) above;
- d) the election and re-election of Board members;
- e) the appointment or re-appointment of auditors;
- f) a motion for a resolution contained in a members' notice received by the Society in accordance with the provisions of Rule 153; and
- g) business (including a motion for a resolution, whether special or ordinary, or a motion to add to, alter or rescind any provision of the Memorandum or any of these Rules) brought before the meeting by the Board.

### **Rule 142 - Special General Meetings**

142.1 All general meetings of the Society other than annual general meetings shall be called special general meetings.

142.2 The Board may, whenever it thinks fit, convene a special general meeting.

142.3 The Board shall convene a special general meeting on the requisition of not less than 500 members (each of whom must have been a member of the Society for a continuous period of not less than two years prior to the date of the requisition and must be entitled to vote at a general meeting of the Society on the date of the requisition). The requisition, which shall be in writing, shall state the objects of the special general meeting (which must not however include the election of a Board member), shall be signed by each of the requisitioners and deposited at the registered office of the Society and may consist of several documents in like form each signed by one or more requisitioners. A deposit of £50 in respect of each requisitioner signing the requisition shall be lodged with the requisition. If within half an hour after the time appointed for the special general meeting a quorum is not present, all such deposits shall be forfeited, but if a quorum is present, the members present and entitled to vote at the meeting shall decide whether the deposits shall be appropriated either wholly or in part towards the expenses of convening and holding the special general meeting and to any extent to which the deposits are not so appropriated, they shall be returned by the Society to the requisitioners equally.

142.4 If the Board does not within 28 days after the date of deposit of the sole requisition, or the date of deposit of the last requisition sufficient to comply with the requirements of Rule 142.3 above, proceed to despatch notices convening a meeting to be held within 63 days after that date, the requisitioners or any proportion of them exceeding one-half may themselves convene a special general meeting.

Any special general meeting so convened shall not be held after the expiration of five months from the date of the deposit of the requisition(s) complying with

the requirements of Rule 142.3. The special general meeting so convened by the requisitioners shall be convened in the same manner, as nearly as possible, as that in which meetings are convened by the Board and notices shall be given in the manner set out in Rule 153.9. Any reasonable expenses incurred by the requisitioners by reason of the failure of the Board duly to convene a meeting shall be paid to those requisitioners by the Society. Any sum so paid shall be recovered by the Society from the defaulting members of the Board (whether by way of retention of fees or other remuneration in respect of services or otherwise). The Board or, as the case may be, the requisitioners, shall give the members notice of any resolution the requisitioners propose to move at the special general meeting at the same time and in the same manner as notice is given of the special general meeting.

142.5 No business shall be transacted at any special general meeting except such as shall be stated in the notice convening the meeting.

142.6 Except where the requisitioners themselves convene a special general meeting under Rule 142.4, special general meetings shall be held at such hour, date and place, including electronic platforms, as the Board shall determine.

### **Rule 153 - Notice of Meetings**

153.1 At least 21 days' notice, expiring on the date of the meeting, of every general meeting of the Society (whether an annual general meeting or a special general meeting) specifying the hour, date and place and/or electronic platform(s) of the meeting shall be given in accordance with Rule 153.9.

153.2 The notice shall specify:

- a) the nature of any resolution to be moved at the general meeting and of the other business to be transacted thereat; and
- b) the full name of each candidate for the office of member of the Board, or auditor, unless the nomination has been made, or in the case of an auditor his nomination has been received, too late for his candidature to be included in, or to accompany, the notice.

153.3 The notice shall state that:

- a) a member entitled to attend and vote may appoint one proxy to attend and, on a poll, vote at the meeting instead of him; and
- b) the proxy need not be a member of the Society; and
- c) the member may direct the proxy how to vote at the meeting.

153.4 The annual general meeting shall be described as such in the notice of the meeting.

153.5 For the purposes of the following provisions of this Rule 153, the following expressions shall have the following meanings:

- a) “requisite number” means 500; and
- b) “members’ notice” means a notice given to the Society at its registered office, in writing (whether in one or more documents) by at least the requisite number of members, of their intention to have moved on their behalf at an annual general meeting a resolution that is specified in the notice and is either a special resolution or an ordinary resolution.

153.6 If the Society receives a members’ notice the Board shall, subject to Rules 153.7 and 153.8:

- a) include in the notice of the annual general meeting a notice specifying the intention of those members moving it to have the resolution moved on their behalf at that meeting and, if applicable, the intention to move it as a special resolution; and
- b) at the request of the members intending to have the resolution moved on their behalf, include in the notice of the annual general meeting any statement of not more than 100 words with respect to the matter referred to in the resolution (the “Statement”), provided the Statement is lodged at the registered office of the Society.

153.7 The Board shall be under no duty:

- a) to include a members’ notice in the notice of the annual general meeting; or
  - b) to include a Statement in the notice of the annual general meeting;
- if
- (i) the members’ notice (or the last of the documents sufficient to enable it to comply with the requirements of Rule 153.5(b)) and, if submitted, any Statement are lodged at the registered office of the Society later than the last day of the financial year of the Society preceding the financial year of the Society in which the annual general meeting, at which it is intended to move the resolution is held; or
  - (ii) the resolution specified in the members’ notice and, if lodged at the registered office of the Society, any Statement does not, in the opinion of the Board, relate directly to the affairs of the Society; or
  - (iii) publicity for the resolution specified in the members’ notice or, as the case may be, the Statement would, in the opinion of the Board, be likely to diminish substantially the confidence of investing members of the public in the Society; or

- (iv) the rights conferred by Rule ~~153~~.6 are, in the opinion of the Board, being abused to seek needless publicity for defamatory matter or for frivolous or vexatious purposes; or
- (v) the resolution specified in the members' notice is in substantially the same terms as any resolution that has been defeated at a general meeting of the Society during the period beginning with the third annual general meeting before the date on which the members' notice (or the last of the documents sufficient to enable it to comply with the requirements of Rule ~~153~~.5(b)) is given to the Society at its registered office.

~~153~~.8 If it is not practicable for any reason to include in the notice of the annual general meeting a notice given by members in accordance with Rule ~~153~~.5(b), the members' notice together with any Statement lodged in accordance with this Rule ~~153~~ shall be communicated to members as soon as practicable after the giving of the notice of the annual general meeting by public announcement in at least ~~two~~-~~one~~ national newspapers.

~~153~~.9 A notice of a general meeting (including a general meeting adjourned for 30 days or more) shall be given by the Society by public announcement in at least ~~two~~-~~one~~ national newspapers and in this Rule ~~153~~ the term "notice" includes any such notice given, or Statement lodged, by members as is required to be communicated to members under this Rule ~~153~~. However, nothing in this Rule ~~153~~ shall prevent the Society, if the Board so determines, from giving additional notice of a general meeting to members individually in a manner to be decided on a fair and reasonable basis by the Board from time to time.

~~153~~.10 Where a notice of a general meeting is sent to a member, a notice of a general meeting shall be given to the holder of a power of attorney which has been duly registered in the records at the registered office of the Society by sending the notice by post to the registered address of the holder of the power of attorney. No notice of a general meeting shall be given to the member who gave the registered power of attorney.

~~153~~.11 Where a notice of a general meeting is sent to a member, and such member is suffering from mental disorder, a notice of a general meeting shall be given by the Society to his receiver, curator bonis or other person in that behalf appointed by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder. Such a notice shall be sent by post to the address supplied for the purpose of the aforesaid receiver, curator bonis or other person or, until such an address has been so supplied, by sending the notice by post to the registered address of the member.

~~153~~.12 The accidental omission to send a notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.



## **Rule 164 - Quorum at Meetings**

- 164.1 No business shall be considered at any annual general meeting or special general meeting unless a quorum is present. A quorum shall be constituted for all purposes by 25 members present or represented and entitled to vote.
- 164.2 If no quorum shall be present within half an hour from the time appointed for the annual general meeting or special general meeting, or if during such meeting a quorum ceases to be present, the [chairmanchair](#) of the meeting shall adjourn the meeting to such hour, date and place as he shall direct, unless such meeting is a special general meeting requisitioned under Rules 142.3 or 142.4 whereupon the [chairmanchair](#) of the meeting shall dissolve it.

## **Rule 175 - Procedures at Meetings**

- 175.1 The [ChairmanChair](#) of the Board or, in his absence, the Vice-[ChairmanChair](#) of the Board, shall preside as [chairmanchair](#) of every general meeting of the Society. If neither the [ChairmanChair](#) nor the Vice-[ChairmanChair](#) is present within fifteen minutes after the time appointed for the general meeting or willing to act, the Board members present at the general meeting shall elect one of their number to be [chairmanchair](#) of the meeting. If at any general meeting no Board member is willing to act as [chairmanchair](#), or if no Board member is present within fifteen minutes after the time appointed for the meeting, the members present at the general meeting and entitled to be included in the quorum for the meeting shall choose one of their number who is present to be [chairmanchair](#) of the general meeting.
- 175.2 The [chairmanchair](#) of the general meeting may, notwithstanding the presence of a quorum (and shall, if so directed by a resolution of the general meeting) adjourn the general meeting from time to time and from place to place, but except as provided in Rule 175.10 no business shall be transacted at any adjourned general meeting other than the business which might properly have been transacted at the general meeting had the adjournment not taken place.
- 175.3 Every adjourned general meeting shall be deemed a continuation of the original meeting and any resolution passed at an adjourned general meeting shall for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.
- 175.4 When a general meeting is adjourned for 30 days or more, at least 7 clear days' notice of the adjourned general meeting shall be given, specifying the time and place of the meeting and the general nature of business to be transacted, but otherwise it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned general meeting.
- 175.5 Subject to the Act and these Rules, every resolution put to an annual general meeting or special general meeting shall be decided by a simple majority on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) properly demanded.

175.6 A poll may (before or on the declaration of the result of the show of hands) be demanded by:

- a) the [chairmanchair](#) of the meeting; or
- b) 25 members who are entitled to vote at the general meeting, and are present in person, by proxy, by attorney, or other representative;

and in the event of such a demand, a poll shall be taken in accordance with Rule 175.10, but no poll shall be permitted upon a resolution to appoint a [chairmanchair](#) of a general meeting or as to whether the general meeting should be adjourned.

175.7 Unless a poll be so demanded, a declaration by the [chairmanchair](#) of the general meeting that a resolution on a show of hands has been carried, or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the minutes of the general meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of, against or in abstention of such resolution.

175.8 If a motion for a special resolution is to be put to the vote of the meeting, a poll shall be deemed to have been demanded by the [chairmanchair](#) of the general meeting.

175.9 Except in the case of a motion for a special resolution, the demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the [chairmanchair](#) of the general meeting, and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.

175.10 If a poll is duly demanded in accordance with Rule 175.6, it shall be taken at the general meeting at which it is demanded or, if the [chairmanchair](#) of the general meeting so decides, at an adjourned meeting and in either case in such manner, subject to Rule 175.11, as the [chairmanchair](#) of the general meeting directs and the result of the poll shall, notwithstanding Rule 175.3, be deemed to be the resolution of the general meeting or adjourned meeting at which the poll was taken. The [chairmanchair](#) may, in the event of a poll, appoint scrutineers (who need not be members of the Society) and may adjourn the meeting or adjourned meeting to some hour, date and place fixed by him for the purpose of declaring the result of the poll.

175.11 A poll demanded on any question shall not prevent the continuance of a general meeting for the transaction of any business other than that upon which the poll has been demanded.

175.12 Voting papers to be used on a poll shall be valid only if they are issued by the Society.

### **Rule 186 - Entitlement of Members to Vote on Resolutions**

186.1 In this Rule “voting date” means:



- a) the date of the general meeting at which the resolution is intended to be moved; or
- b) in the case of a member appointing a proxy to vote instead of him at a general meeting, the date the Society specifies as the final date for the receipt of instruments appointing proxies to vote on that resolution.

**186.2** A member whose contributions are not in arrears at the voting date, is entitled to one vote on a resolution (whether special or ordinary and whether on a show of hands or a poll). In the case of an equality of votes, whether on a show of hands or on a poll, the [chairman](#) of the meeting shall be entitled to a casting vote in addition to any other vote he may have.

**186.3** The holder of a power of attorney from a person who is a member and who is entitled to vote under Rule **186.2** shall, if the power of attorney is duly deposited at the registered office of the Society and if the power has the effect of authorising the holder to exercise the rights of the member under these Rules, be entitled to vote in all circumstances as if he were a member and in the member's stead.

**186.4** A member who is entitled to vote under Rule **186.2**, and in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, by his receiver, curator bonis or other representative in that behalf appointed by that court. Any such receiver, curator bonis or other representative or any holder of a power of attorney in accordance with Rule **186.3** may vote by proxy or in person either on a show of hands or on a poll. Evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote shall be deposited at the registered office of the Society not less than 2 clear days before the day appointed for holding the general meeting or adjourned general meeting, at which the right to vote is to be exercised, and in default, the right to vote shall not be exercisable.

**186.5** The right to vote shall (subject to Rule **197**) be limited to those persons on whom this Rule **186** confers a right to vote.

**186.6** Subject to Rules **186.2**, **186.3** and **186.4**, on a poll, every member shall have one vote which may be given either in person or by proxy.

### **Rule 197 - Appointment of Proxies**

**197.1** A member entitled to attend and vote at a general meeting of the Society:

- a) may appoint one person whether a member or not as his proxy to attend and, on a poll, to vote at the general meeting instead of him; and
- b) may direct the proxy how to vote at the meeting.

**197.2** The instrument appointing a proxy and any power of attorney or other authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Board shall:

- a) be deposited at the registered office of the Society, or such other place in the United Kingdom as is specified in the notice of general meeting, not less than 48 hours before the time appointed for holding the general meeting, or adjourned general meeting at which the person named in such instrument proposes to vote; or
- b) in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the general meeting at which the poll was demanded to the [chairman](#) or [chair](#) of the general meeting or any member of the Board present at the general meeting;

and in default the instrument shall not be treated as valid.

**197.3** An instrument appointing a proxy shall be in such form as the Board may from time to time determine and contain such declarations required by the Act.

**197.4** The Society may add to any instrument issued by it in accordance with Rule **197.3** any explanatory notes it may think fit to assist appointers.

**197.5** The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll but, save as provided by this Rule **197**, a proxy shall have no right to speak at a general meeting.

**197.6** If a member who, at the final date for the receipt of instruments of proxy determined under Rule **197.2**, is entitled to attend and vote at the general meeting appoints a person as a proxy to vote instead of him at that general meeting and then ceases after that date to be so entitled, that person may notwithstanding Rule **186.2** act as the member's proxy at that meeting.

**197.7** A vote given or poll demanded in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or mental disorder of the appointor or revocation of the proxy or of the authority under which the proxy was executed, provided that no notice in writing of such death, mental disorder, revocation or transfer as aforesaid shall have been received by the Society at its registered office or such other place as the proxy may be required to be delivered before the commencement of the general meeting or adjourned general meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

## **Rule 2018 - Board of Directors**

**2018.1** The business and activities of the Society and any business or activity that the Society proposes to carry on shall be under the direction of a Board of Directors constituting the Committee of Management of the Society for the purposes of the Act and consisting of not more than 12 nor (subject to the provisions of Rule **297.6**) less than 5 members and the Board may from time

to time resolve the number who together shall constitute the Board within these limitations. Save as otherwise provided in these Rules, the manner in which the Society carries on any of its businesses or activities (including but not limited to the activities contained in Schedule 5 to the Act) shall be determined by the Board in its discretion and the Board shall have the power to set up and administer any funds of the Society necessary to enable the Society to carry on any of its activities.

2018.2 Subject to the provisions of the Act, the Memorandum and these Rules and to any directions given by special resolution, the business of the Society shall be managed by the Board who may exercise all the powers of the Society.

2018.3 No alteration of the Memorandum or these Rules and no direction made in accordance with Rule 2018.2 above shall invalidate any prior act of the Board which would have been valid if that alteration has not been made or that direction had not been given.

2018.4 Without prejudice to the generality of the foregoing Rules 2018.1, 2018.2 and 2018.3, the Board:

- a) shall ensure the direction and management of all affairs and business of the Society;
  - (i) by a sufficient number of persons, fit and proper to be Board members or other officers, in their respective positions;
  - (ii) with prudence and integrity;
  - (iii) in the best interests of the members and in accordance with best practice; and
  - (iv) in accordance with the Memorandum and these Rules, and with the Act;
- b) shall supervise the activities of any subsidiary, jointly controlled body or branch of the Society;
- c) subject to Rule 2018.6, may make, vary or revoke regulations for the conduct of business at its meetings, including, but not limited to:
  - (i) quorums;
  - (ii) voting rights, including casting votes;
  - (iii) special meetings; and
  - (iv) minutes of meetings.
- d) may pay out of the funds of the Society (including the Management Fund) the expenses of the Society and such sums as the Board may deem necessary or expedient to be paid in the interests of the Society,

but no Board member (other than a holder of any executive office) shall receive any payment save as is authorised by these Rules;

- e) may make, vary or revoke regulations for the conduct of all affairs and business of the Society, provided that the same are not inconsistent with the Memorandum and these Rules, and with the Act; and
- f) may authorise the use of all forms, instruments and other documents that it may deem necessary for the proper conduct of the business of the Society.

2018.5 The validity of any proceedings or acts of the Board shall not be affected by any vacancy among the members or by any defect in the appointment of a member of the Board.

2018.6 A quorum shall be formed by one half of the number of members of the Board from time to time (or where the number of Board members is not divisible by two, the quorum shall be formed by the whole number nearest to one half of the number of Board members, rounding upwards) provided in each case, that the majority of such members forming the quorum do not perform full-time duties for the Society. Every question shall be decided by a majority of votes; and if the votes are equal the person presiding over the meeting shall have a casting vote in addition to his vote as a Board member. The person presiding over the meeting shall always be a member of the Board who does not perform full-time duties for the Society. A resolution in writing signed by all entitled to attend and vote at the relevant meeting of the Board shall be valid and effective as if it had been passed a duly convened and constituted Board meeting and for these purposes "in writing" shall include such form, including as to signature, as the Board may accept for the purpose.

2018.7 Members of the Board (or of any Committee of the Board) may in order to consider and transact business convene together all or some through the medium of one or more conference telephone or videophone or other communications equipment whereby all persons participating may hear each other and be heard sufficiently to permit contemporaneous exchange and debate. Subject to the notice and quorum provisions of these Rules being observed each such convention shall be deemed to constitute a meeting and participation in a meeting in such manner shall be deemed to constitute presence in person at such meeting. If a majority of such participants in such convention are present in person in one place that place shall be deemed the location of the meeting. Voting in any such convention shall be by way of a poll taken orally. A resolution passed at any meeting of the Board held in accordance with this Rule 2018.7 and signed by the [chairman](#) of the meeting shall be valid and effectual as if it had been passed at a meeting of the Board duly convened and held

2018.8 Any 5 members of the Board may requisition a special general meeting by giving 35 days' notice in writing to the Secretary, but at such special general meeting no other business than that specified in the notice shall be taken into consideration.

2048.9 The Board may appoint Committees of three or more of their members for such purposes as the Board thinks fit.

2048.10 The Board, or such Committee as may be delegated powers to act as the Board, shall meet at least once every quarter save for the Audit Committee which shall meet at such frequency as the Board or such Committee may determine.

2048.11 Each member of the Board shall be entitled to receive notice of each meeting of the Board and of each Committee of which he is a member. For this purpose, notice shall be at least 7 days (unless such notice is waived by the meeting) and shall be given either in writing or by telephone by the Secretary.

### **Rule 2149 - Eligibility and Election of Board of Directors**

2149.1 No individual shall, subject to applicable law, be elected or appointed as a Board member unless:

- a) either he will be less than 70 years of age at the date on which the election, or in the case of any appointment under Rule 297, the appointment, would take effect or, if he will be more than 70 years of age at the date of which the election would take effect, he has been approved as eligible to be so elected by resolution of the Board and his age and the reasons for the Board's approval of his eligibility have been notified to every person entitled to vote at the election;
- b) he is a member of the Society, holds a product with the Society or with one of its subsidiaries and is not in arrears with his contributions;
- c) he is not a minor;
- d) (except in the case of appointment under Rule 297, nomination under Rule 2149.4 or where a Board member retires under Rule 30-28), a form nominating him, signed by not less than 50 members who comply with the requirements of Rule 2149.3 and addressed to the Secretary, has been delivered at the registered office of the Society during the hours of public business of the Society between the first and fifteenth days of the last month of the financial year preceding the annual general meeting at which the vacancy in respect of which he is nominated is to be filled. The nomination form shall contain the full name, address, age and occupation of the person nominated, his consent to be so nominated, and the full names and addresses of the members proposing his nomination. The nomination form shall be dated with the date of its delivery at the registered office of the Society and that date shall be deemed to be the date of nomination for the purpose of Rule 2149.3; and
- e) he satisfies all relevant requirements of the relevant regulatory authorities.

**2149.2** In exercise of its duties pursuant to Rule **2048.4(a)**, the Board may require any individual nominated for election as a Board member to supply in writing such forms as the Board may specify, evidence as to his qualifications, financial and managerial experience, creditworthiness, competence and character and to complete in draft any form of questionnaire that, if elected, he would require to submit to any regulatory authority.

**2149.3** The requirements with which a member must comply in order to be eligible to nominate an individual as a Board member are as follows:

- a) he must have been a member for not less than two years before the date of nomination;
- b) he must not be in arrears with his contributions; and
- c) he must not be a minor at that date.

**2149.4** If a vacancy arises on the Board after the last day of the financial year, and before the conclusion of the annual general meeting held in the succeeding financial year by reason of the death or disqualification of any retiring Board member who would otherwise have been seeking re-election at such annual general meeting, the Board may:

- a) without giving notice under Rule **153** nominate at the annual general meeting some other member who is at the date of that meeting:
  - (i) less than 70 years of age; and
  - (ii) not a minor;

to take the place of such retiring Board member as a candidate for election and such member shall be deemed to be a retiring Board member; or

- b) reduce the number of vacancies to be filled at the annual general meeting by one in respect of each such event and any remaining vacancy on the Board shall be and become a vacancy which the Board has power to fill under Rule **297**.

**2149.5** Where a person becomes or ceases to be a member of the Board, the Society shall notify the relevant regulatory authorities.

### **Rule **2220** - Appointment of **ChairmanChair** and Vice-**ChairmanChair****

**2220.1** The Board shall, subject to Rule **2048.6**, elect from its number a **chairmanchair** and vice-**chairmanchair**. The **chairmanchair** or vice-**chairmanchair** (as the case may be) shall, subject to Rule **220.3**, hold office for such period as the Board may decide unless he shall cease in the meantime to be a Board member or shall resign the office. The **chairmanchair** shall preside at all meetings of the Board at which he is present and, in the absence of the **chairmanchair**, the vice-**chairmanchair** shall take his place.



2220.2 If the [chairmanchair](#) and the vice-[chairmanchair](#) so elected shall both be absent from a meeting of the Board or shall both decline to act as [chairmanchair](#), the Board members present at that meeting shall elect a Board member to be [chairmanchair](#) for the purposes of that meeting.

2220.3 The Board may at any time by a majority decision remove the [chairmanchair](#) or the vice-[chairmanchair](#) from office.

2220.4 The Board shall, subject to Rule ~~2018.6~~, fill from its number any vacancy (whether or not arising from the exercise of its power under Rule 2220.3) in the office of [chairmanchair](#) or vice-[chairmanchair](#) and a [chairmanchair](#) or vice-[chairmanchair](#) so elected shall, subject to Rule 2220.3, hold office for such period as the Board may decide unless he shall cease in the meantime to be a Board member or shall resign the office.

### **Rule 231 - Remuneration and Expenses of Officers**

2321.1 The annual remuneration of the officers of the Society as members of the Board (exclusive of any remuneration paid in respect of executive duties) shall be paid at a rate to be determined by the Board from time to time. This remuneration shall be divisible among the officers in such proportion as may be agreed among them by a majority decision and, in default of agreement, in equal shares.

2321.2 In addition to such remuneration, any officer may be paid such reasonable travelling, hotel and other expenses as he might incur while attending Society business with the approval of the Board. Any such officer may also, by resolution of the Board, be paid for professional or other work done by him on behalf of the Society in addition to his usual services as an officer.

### **Rule 242 - Offices of Profit**

2422.1 A Board member may hold any office, employment or place of profit with the Society (other than the office of auditor or valuer) simultaneously with his office of Board member and may be appointed by the Board to an office, employment or place of profit with any body corporate in which the Society is, or will be, interested and shall not be required to account to the Society for any benefit directly or indirectly from such office, employment or place of profit.

2422.2 A Board member so appointed to an office, employment or place of profit in accordance with Rule 2422.1, shall disclose to the Board any benefit he derives from any such office, employment or place of profit in the financial year in which it is received.

### **Rule 253 - Interest in Contracts**

253.1 Subject to a Board member's compliance with the provisions for the time being of the Act that;

- a) require him to declare to the Board any direct or indirect interest he might have, or be treated as having in any contract to which the Society is a party;
- b) prohibit particular contracts;
- c) require a contract to be approved by a resolution of a general meeting;  
or
- d) require him to furnish to the Society particulars of any related business;

he may enter into or be interested, whether directly or indirectly, in contracts with the Society and shall not be disqualified from office thereby, nor shall he be liable to account to the Society for any profit arising out of any such contract to which he is party or in which he is interested by reason of his being at the same time a Board member.

**253.2** No Board member may vote as a Board member in regard to any contract, or proposal therefor, in which he is interested, whether directly or indirectly, or upon any matter arising out of it. If he shall so vote, his vote shall not be counted nor shall he be reckoned in estimating a quorum when any such contract, or proposal therefore, is under consideration.

**253.3** Notwithstanding anything contained in this Rule **2523**, the prohibition contained in the foregoing Rule **2523.2** may at any time or times be suspended or relaxed to any extent by resolution at a general meeting of the Society.

**253.4** In this Rule **2523**, the term “contract” includes any transaction or arrangement. For the avoidance of doubt, the word “interest” in this Rule **2523** does not include any interest a Board member may have as a director of a controlled body of the Society.

#### **Rule 264 - Appointment of Officers, Employees and Others**

**264.1** The Society must have a Chief Executive and a Secretary who shall be appointed by, and whose appointment may be terminated by, the Board.

**264.2** The Chief Executive is responsible under the immediate authority of the Board for the conduct of the business of the Society.

**264.3** The Board shall take all reasonable steps to secure that the person appointed as Chief Executive has the requisite knowledge and experience to discharge the functions of his office.

**264.4** Where a person becomes or ceases to be the Chief Executive or the Secretary, the Society shall notify the relevant regulatory authorities.

**264.5** The Board may, and may delegate to any person the authority and ability to, also:



- a) appoint and terminate the appointment of such employees, advisors and agents as the Board may at any time determine;
- b) appoint under this Rule 264 more than one person to any office or place with the exception of the office of the Chief Executive and Secretary;

and may require from any person appointed under this Rule 2624 such guarantees as shall appear necessary in the judgement of the Board.

264.6 The powers and duties of persons appointed under this Rule 264 shall be those given them from time to time by the Board which may pay them such salaries, wages, commissions and bonuses, compensation for loss of office or of employment, fees and other remuneration as it may consider desirable.

### **Rule 275 - Disclosure and Indemnity to Board Members, Officers and Employees**

275.1 Every Board member and every other officer or employee for the time being of the Society shall be indemnified out of the funds of the Society against all such charges, damages and expenses as they shall respectively incur or be put to on account of any contract, act, deed, matter or thing which shall be made, done, entered into or executed by them respectively on behalf of the Society or incurred by them in or about any legal proceedings or arbitration on account of the Society or otherwise in the execution of their respective offices but not against any liability which, by virtue of any rule of law, attaches to them in respect of any negligence, default, breach of duty or breach of trust in relation to the Society. However, notwithstanding anything to the contrary in these Rules, every such Board member, officer or employee shall be indemnified against any liability incurred by him in defending any proceedings whatsoever whether civil or criminal, arising out of his duties in relation to the Society in which judgement is given in his favour or in which he is acquitted. Board members, officers or employees shall not be answerable for the acts, receipts, neglects or defaults of each other but each of them for his own acts, receipts, neglects or defaults only; nor shall they respectively be answerable for any banker, broker, collector or other person appointed by the Board or by the Society or any subsidiary of the Society. with whom, or into whose hands any property or money of the Society may come; nor for any loss or damage which may happen in the execution of their respective offices unless the same shall happen through their own respective wilful neglect.

275.2 All acts done by any meeting of the Board or Committee thereof or by any person acting as a member thereof shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Board or Committee member or persons acting as members thereof or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a member of the Board or such Committee.

275.3 The Society may take out a policy of insurance to cover any such indemnity or liability as is mentioned in Rule 275.1.

275.4 Subject to Rule ~~2523~~ which shall apply with regard to Board members who are officers or employees of the Society, any officer or employee of the Society may hold any office, employment or place of profit relating to the Society (other than the office of auditor) with any firm or body corporate which is remunerated from the Management Fund, or any other fund, in accordance with these Rules as the Board may from time to time approve and they shall not thereby be liable to account to the Society for any profit or benefit realised.

### **Rule 286 - Removal From and Vacation of Office and Disqualification**

286.1 A Board member shall cease to hold office;

- a) if he resigns his office by notice in writing to the Secretary;
- b) if he ceases to be a member of the Society;
- c) if he is requested in writing by a majority of all the other Board members to resign and a resolution that he has vacated office is thereafter passed at a meeting of the Board by a majority of all the Board members;
- d) if for more than six consecutive months he absents himself, without permission of the Board, from meetings of the Board held during that period and the Board passes a resolution that he has vacated office;
- e) if he becomes bankrupt or is sequestrated or compounds or makes any arrangement with his creditors generally;
- f) if he is, or might be, suffering from mental disorder and either:
  - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the provisions of the Mental Health Act 1983, or he is admitted to hospital under the provisions of the Mental Health (Scotland) Act 1984 or the provisions of the Mental Health Act (Northern Ireland) 1961; or
  - (ii) 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;
- g) upon a resolution of which notice has been given under Rule ~~153~~, that he shall cease to be a Board member passed by a majority of the votes cast on a poll at a general meeting.
- h) if, whilst a Board member of the Society and without the prior consent of three quarters of other Board members, he accepts the office of a director in any other organisation, company or body deemed by the Board to be in direct competition with the business of the Society or any subsidiary of the Society;

- i) subject to applicable law, upon the conclusion of the annual general meeting next following the date at which he attains 70 years of age unless he is re-elected at that meeting, the requirements of Rule 2149.1(a) having been satisfied or upon the conclusion of any subsequent annual general meeting, unless he is re-elected at such meeting, the requirements of Rule 2149.1(a) having been satisfied;
- j) if he becomes prohibited by law from being a Board member; or
- k) if he contravenes Rule 253.1 by knowingly or recklessly failing to declare an interest and the Board passes a resolution that he should vacate office.

286.2 The Secretary shall not give less than 14 clear days' notice in writing to all Board members of a meeting of the Board at which it is intended to move a resolution that a Board member should vacate or be removed from office. The notice shall set out the proposed resolution and, if all the requirements of this Rule 286.2 are not complied with, the resolution, even if passed, shall be of no effect. The provisions of Rule 434 shall be deemed to apply to any such notice.

#### **Rule 297 - Filling of Casual Vacancies**

297.1 In the case of any vacancy in the Board not occasioned by the retirement of any Board member by rotation, the Board may, at any time, and from time to time, appoint an individual as a Board member to fill such a vacancy.

297.2 If the Board resolves to increase the number of members of the Board within the limitations prescribed by Rule 2048.1, the Board may appoint an individual as an additional member in order to fill any vacancy.

297.3 The Board shall appoint under this Rule 297 only an individual who:

- a) appears to the Board to be fit and proper to be a member;
- b) is qualified under these Rules; and
- c) is not a person who, having been nominated for election as a member of the Board at any election held within the preceding 12 months, was not elected as such a Board member.

297.4 A Board member appointed under this Rule 297 may hold office until the conclusion of the annual general meeting next following such appointment but, if he is appointed on a date falling within a period commencing with the beginning of the Society's financial year and ending with the annual general meeting held in that year, he need not retire at that annual general meeting, but;

- a) at the conclusion of the next annual general meeting; or

- b) at the expiration of the period of 16 months beginning with the date of his appointment;

whichever is the earlier.

2927.5 A Board member appointed under this Rule 2927 and retiring under Rule 2927.4 above, shall be eligible for re-election without nomination, provided that he is qualified under these Rules at the date of the annual general meeting at which he retires and is not ineligible by reason of his age on that date, and he shall be a retiring Board member for the purposes of Rule 3028.5.

2927.6 Notwithstanding any vacancies on the Board, the remaining Board members may continue to act. If at any time the number of Board members falls below the minimum of 5 prescribed by Rule 2048, the Board so constituted, although its members are insufficient to form a quorum, may act by a majority of its members for a maximum period of 6 months.

### **Rule 3028 - Retirement by Rotation**

3028.1 In addition to any Board member retiring under any other provision of these Rules, the other Board members who have not been elected or re-elected at either of the last two annual general meetings shall retire from office at the annual general meeting in each year.

3028.2 The Board members to retire by rotation in each year shall be those who have been longest in office since their last election or re-election. As between persons who were elected or were last re-elected Board members on the same day, those to retire shall, unless they agree among themselves, be decided by the Board by lot.

3028.3 A Board member retiring under this Rule 3028 shall be eligible for re-election without nomination provided he is qualified under these Rules at the date of the annual general meeting at which he retires and is not ineligible by reason of his age at the date of the annual general meeting on that date and he shall retain office until the conclusion of that meeting.

3028.4 Elections of Board members shall be at the annual general meeting of the Society. If at such a meeting there is a contest for the office of Board member in that the number of candidates for election or re-election to the Board (including Board members retiring under this Rule 3028 and otherwise under these Rules) exceeds the number of vacancies thereon, the vacancies shall be filled by those candidates obtaining most votes. If the vote shall be taken on a poll, the following provisions of these Rules shall apply to such poll:

- a) the voting papers shall include the number of vacancies on the Board, the full names of all the candidates and any declarations required by the Act;

- b) subject to Rule [3028.4\(a\)](#) above, the Board may prescribe or approve the form of the voting paper and may include such other declarations and denoting of retiring Board members as it thinks fit;
- c) the voting shall be effected by the placing of an X after the names of the candidate for whom the votes are to be cast;
- d) the voting papers shall be void if a member votes for more candidates than there are vacancies to be filled;
- e) each member shall have one vote in respect of each vacancy to be filled; and
- f) no member shall be required to cast all or any of the votes given him by Rule [3028.4\(e\)](#) above.

[3028.5](#) If at any annual general meeting there is no contest for the office of Board member, then:

- a) any member both eligible for election and nominated under Rule [2149](#) shall be deemed to have been elected; and
- b) any retiring Board member offering himself for re-election shall (provided he is eligible for re-election in accordance with the provisions of Rule [3028.3](#)) be deemed to have been re-elected unless a resolution that he shall cease to be a Board member, of which notice has been given under Rule [1543](#), shall be passed by a majority of the votes cast.

### **Rule [3129](#) - Pension and Other Schemes and Funds**

[3129.1](#) In this Rule [3129](#) the term “officers” excludes any Board member who does not hold or has not held any executive position in the Society in addition to that of Board member.

[3129.2](#) The Board may from the Society’s resources and on such terms as it thinks fit, provide, establish, maintain and administer pension, life assurance, sickness, annuity and other funds or schemes (whether contributory or not) for the benefit of:

- a) past, present or future officers and employees of the Society or any subsidiary of the Society;
- b) past and present officers and employees of any friendly society with which the Society might merge in the future;
- c) the spouses, civil partners, children and dependants of persons referred to in Rules [3129.2\(a\)](#) or [31-29.2\(b\)](#) hereof.

[3129.3](#) In addition to the powers aforesaid, the Board may grant on such terms as it thinks fit other pensions, allowances, gratuities, donations and bonuses to or for the benefit of:

- a) past or present officers and employees of the Society or any subsidiary of the Society;
- b) past officers and employees of any friendly society with which the Society has merged;
- c) any spouses, civil partners, children or dependants of such officers and employees mentioned in Rules [3129.3\(a\)](#) or [3129.3\(b\)](#) hereof.

[3129.4](#) The Board may make, vary and revoke the rules of any such fund or scheme as is mentioned in Rule [3129.2](#) (to such extent as this power is not thereby prohibited, or is found permissible) and may constitute any trust and may from time to time at its discretion exercise any powers reserved to the Society by the terms of any trust constituted by the Society including the power of modifying or discontinuing the terms of any such trust or any rules or regulations that may be or may have been made pursuant thereto.

### **Rule 3230 - Accounts**

[3230.1](#) The Board shall cause adequate accounting records of the Society to be kept, and establish and maintain adequate systems of control of its business and records and of inspection and report, in accordance with the Act and applicable regulatory requirements.

[3230.2](#) The Board shall cause to be maintained separate accounts for, and which identify the separate assets of, any controlled bodies.

[3230.3](#) The Board shall, in accordance with applicable regulatory requirements, send to the relevant regulatory authorities a statement of their opinion as to whether the regulatory requirements as they relate to “accounting records and systems of control” have been complied with in respect of the last financial year by the Society.

[3230.4](#) The Board shall in each financial year, in accordance with applicable regulatory requirements, send to the relevant regulatory authorities two copies of the annual accounts of the Society for the last financial year, the Board's report for that year and the auditor's report on those accounts.

[3230.5](#) The Secretary shall, as from the date by which the Society is required under the Act to send them to the relevant regulatory authorities, supply free of charge to every member on demand copies of the annual accounts for the last financial year, the Board's report for that year and the auditor's report on those accounts, and he shall ensure that copies of such documents are also made available at every office of the Society.

### **Rule 331 - Inspection of Records**

Subject to applicable law and regulation, the Board shall make the records of the Society available for inspection by any member or person having an interest in the funds of the Society at all reasonable hours, at the registered office of the Society, or at any place where the records are kept, and it shall be the duty of the Secretary to produce the same accordingly. But such member or person shall not, unless he is an



officer of the Society, or is specially authorised by a resolution of the Society to do so, have the right to inspect the loan account of any other member, nor have access to other personal information of another member, without the written consent of that member.

### **Rule 342 - Auditors**

**342.1** At each annual general meeting, the Society shall appoint a qualified auditor to audit its annual accounts. An individual or a firm may be appointed as auditor. The Society shall, within one week of the date of the annual general meeting, notify the relevant regulatory authorities if no auditor has been appointed or re-appointed. The auditor shall hold office from the conclusion of the meeting at which he was appointed until the conclusion of the next annual general meeting.

**342.2** For the purpose of this Rule 342, a qualified auditor is a person who is eligible for appointment as an auditor under the provisions of the Act.

**342.3** The Board may appoint a qualified auditor to fill any casual vacancy in the office of auditor occurring between general meetings of the Society.

**342.4** The remuneration, including any sums in respect of expenses, to be paid to a qualified auditor shall be fixed by the Board.

**342.5** The Society may by ordinary resolution in general meeting remove an auditor before expiration of his term of office, and notice of such resolution shall be sent, within 14 days, by the Secretary to the relevant regulatory authorities. A resolution at an annual general meeting or a special general meeting of the Society:

- a) removing an auditor before the expiration of his term of office; or
- b) appointing another person as auditor in place of a retiring auditor

shall not be effective unless notice of the intention to move it has been given to the Secretary not less than 28 days before the general meeting at which it is moved. On receipt of the notice of intention to move any such resolution, the Secretary shall give notice of the resolution to the members and to the person proposed to be removed or, as the case may be, to the person to be appointed and to the retiring auditor. The Secretary shall, unless on application the court directs otherwise, also inform the members of any representations made by the person proposed to be removed or, as the case may be, the retiring auditor, and shall make copies of the representations available at the meeting at which the resolution is to be moved.

**342.6** Where the Society receives from an auditor a written notice of his resignation of office, the Secretary shall, within 14 days, send a copy of this notice to the relevant regulatory authorities.

**342.7** Where the Society receives from an auditor, on cessation of his office, a statement of any circumstances connected with the cessation of office which he considers should be brought to the attention of the members or creditors of

the Society, the Secretary shall, unless on application the court directs otherwise, send a copy of such statement to the members.

342.8 Where the auditor, with a notice referred to in Rule 342.6 requisitions the convening of a special general meeting of the Society for the purpose of explaining the circumstances connected with his resignation, the Secretary shall, unless on application the court directs otherwise, convene such a meeting within 28 days or otherwise comply with the requirements set out in the Act.

### **Rule 353 - Actuary and Valuations**

353.1 The Society must appoint an Actuarial Function Holder and a With-Profits Actuary in accordance with the relevant regulatory requirements. These two posts may be held separately or by the same individual, and the holder or holders shall be appointed by and their appointment may be terminated by the Board.

353.2 The Actuarial Function Holder and the With-Profits Actuary shall advise the Board in accordance with the relevant regulatory requirements and these Rules. However, notwithstanding any obligation on the Board either in these Rules or in the relevant product terms to seek such advice, responsibility for any decisions taken on the basis of such advice remains with the Board.

353.3 The With-Profits Actuary shall, at least once a year, report to the Board on key aspects of the discretion exercised by the Board affecting the Society's with-profits business.

353.4 The With-Profits Actuary shall also, in accordance with the relevant regulatory requirements, make an annual written report to the relevant classes of the Society's With-Profits Policyholders as to whether the discretion exercised by the Board during the reporting period took their interests into account in a reasonable and proportionate manner. This shall accompany the Society's annual report to With-Profits Policyholders as required by the relevant regulatory requirements.

353.5 In accordance with the relevant regulatory requirements, the Board shall, once in every 12-month period, cause the Actuarial Function Holder to investigate and report on the financial condition of the Society in respect of its long-term insurance business, in accordance with methods and assumptions determined by the Board.

### **Rule 364 - Application of Funds**

364.1 All monies received on account of contributions in accordance with any product terms or on account of levies, donations or otherwise, shall be applied in carrying out the objects and purposes of the Society in accordance with the Memorandum and these Rules.

364.2 Both monies received and interest on investments shall be credited to the appropriate funds.



364.3 Any transfer of assets between the Society and a subsidiary should be at arms' length and for a proper market value consideration and there shall be a proper apportionment of all items of money and expenses between the Society and its subsidiaries.

364.4 The Society shall keep a separate account of all monies attributable to tax-exempt business from all monies attributable to taxable business of the Society.

### **Rule 375 - Investment of Funds**

375.1 So much of the funds of the Society, as may not be wanted for immediate use, or to meet the usual accruing liabilities, shall with the consent of the Board or of a majority of the members of the Society present and entitled to vote in general meeting, be invested by the Society in any of the following manners, namely: in the acquisition (by purchase, subscription or otherwise) of any asset, right or interest in any of the following:

- a) shares and/or stock in the capital of any company (for these purposes "company" includes any body corporate and also any unincorporated body constituted under the law of a country or territory outside the United Kingdom), including the acquisition of any shares or stock in a company in connection with an initial public equity offering;
- b) debentures, including debenture stock, bonds, certificates of deposit and other instruments creating or acknowledging indebtedness (not being instruments falling within Rule 375.1(c) below);
- c) loan stock, bonds and other instruments creating or acknowledging indebtedness issued by or on behalf of any government, local authority, public authority or international organisation;
- d) warrants or other instruments entitling the holder to subscribe for investments (including, but not limited to, those investments listed in Rules 375.1(a) and 375.1(c) above);
- e) certificates representing securities including, but not limited to, certificates or other instruments which confer: property rights in respect of any investment (including, but not limited to, those investments listed in Rules 375.1(a) to 375.1(d) above); any right to acquire, dispose of, underwrite or convert an investment, being a right to which the holder would be entitled if he held any such investment to which the certificate or instrument relates; or a contractual right (other than an option) to acquire any such investment;
- f) units in a collective investment scheme, including shares in or securities of an open-ended investment company, unit trust or mutual fund;
- g) options (including, but not limited to, options to acquire or dispose of currency, precious metals (including gold, palladium, platinum or silver), any investment described in this Rule 375 or an option to acquire or dispose of an investment described in this Rule 375;

- h) futures (including, but not limited to, financial futures contracts);
- i) contracts for differences (including, but not limited to, rights under any other contract the purpose or pretended purpose of which is to secure a profit or avoid a loss by reference to fluctuations in the value of price of property of any description or in an index or other factor designated for that purpose in the contract);
- j) rights to and interest in anything which is an investment falling within the scope of the regulatory permissions issued to the Society by the relevant regulatory authorities;
- k) notes and floating rate notes;
- l) time deposits;
- m) spot and forward exchange contracts;
- n) bankers' acceptances;
- o) precious metals and/or precious metals receipts;
- p) any investment where such acquisition was made pursuant to obligations of the Society as an underwriter or sub-underwriter;
- q) commercial paper with or without certificate form;
- r) convertible instruments;
- s) any other "investment" as that word is defined in the relevant legislation;
- t) any of the share or loan capital of a housing association (within the meaning of the Housing Association Act 1985) (other than shares or debentures not fully paid up at the time of issue);

or in the purchase or taking on lease of land, or in the erection or alteration of offices or other buildings thereon (including residential buildings); or in any other investment of a kind which trustees are for the time being by law authorised to make.

**375.2** The Society shall be entitled to sell, exchange, mortgage or lease any land purchased or taken on lease by the Society.

### **Rule 386 - Disputes**

**386.1** If any dispute shall arise between on the one hand a member, or person claiming through a member or under these Rules, or any person aggrieved who has ceased to be a member, or any person claiming through such person aggrieved and on the other hand the Society, or any officer of the Society, it shall be decided by reference to the complaints resolution service established under relevant regulation. In the event that the dispute is not eligible to be

considered under that service it shall be decided by reference to a single arbitrator to be appointed by agreement between the parties to the dispute or, if they cannot agree, by the President of the Law Society or, where both parties to the dispute so agree, by reference to the county court and the costs of such arbitration shall be borne as such arbitrator may direct.

**386.2** In this Rule **386** the expression “dispute” includes any dispute arising on the question of whether a member or person aggrieved is entitled to be or continue to be a member to be reinstated as a member but, save as aforesaid, in the case of a person who has ceased to be a member, does not include:

- a) any dispute other than a dispute on a question which arose whilst he was a member or arises out of his membership; and
- b) does not include a dispute which has arisen as a result of and incidental to a dispute between a member, or person aggrieved who has ceased to be a member and a person claiming through him or under these Rules.

**386.3** In default of determination under Rule **386.2** and upon the expiry of 40 days beginning with the day on which application was made for such determination, either party may apply for determination of the dispute by the county court.

### **Rule 39 - Complaints**

Where a complaint is made by a member to the Society, the Board shall ensure that the complaint is investigated thoroughly by an officer or employee of the Society and that the investigation is completed within a reasonable time. As soon as practicable following completion of the investigation, the Board shall ensure that the member who made the complaint is notified in writing of the results of that investigation.

However, nothing in this Rule **397** shall prevent a member who makes a complaint to the Society utilising the dispute procedure set out in Rule **386**.

### **Rule 4038 - Common Seal**

**4038.1** The common seal of the Society shall bear the name of the Society.

**4038.2** The Society may have in addition to the common seal one or more other seals each of which shall be a facsimile of the common seal. Any provisions relating to the safe custody and otherwise of the common seal shall also apply to any such facsimile seals.

**4038.3** The common seal shall be kept at the Society's registered office or at such other place as the Board may from time to time determine, and shall be in the custody of such individual as the Board may from time to time direct.

**4038.4** The common seal shall not be used without the authority of the Board or a Committee authorised in that behalf and, when used or affixed to any document, such document shall be countersigned by such individual or individuals as the Board may authorise for that purpose from time to time. All documents so sealed and countersigned shall be deemed to be validly executed by the Society.

**4038.5** In this Rule **4038**, the word “countersigned” includes the use of a facsimile signature by whatever process reproduced. The use of such facsimile signature is only authorised in so far as it is permitted from time to time by law.

### **Rule 4139 - Voluntary Dissolution**

The Society may at any time be dissolved by an instrument of dissolution approved by a special resolution of the Society.

### **Rule 4240 - Distribution of Surplus Assets on Winding-Up or Dissolution**

Upon the winding-up of the Society, or upon its being dissolved by consent, any surplus remaining after payment in full of the Society’s creditors shall be divided among those members who were members at the date of commencement or dissolution or winding-up in accordance with applicable regulatory requirements and the directions of the Board having regard to the recommendation of the Actuarial Function Holder.

In providing such directions, the Board shall obtain formal actuarial advice and shall consult with the relevant regulatory authorities, in each case on the manner of distribution and relative shares as between members, obtaining the support of an independent expert to the extent reasonably necessary to ensure the fair treatment of all members, and shall ensure that due consideration is given as to what constitutes a fair distribution of surplus across all of its members at that time taking into account any transfers of members into the Society, the respective contributions of members and any applicable ring-fencing arrangements.

### **Rule 431 - Notices**

**431.1** Except where otherwise specified all notices to be given in accordance with these Rules may be given in writing or by electronic communication. In the case of a notice to be given to a member in writing, such notice shall be addressed to the registered address of such member and in all other cases notices shall be addressed to an address for the time being notified by the intended recipient to the notifier for that purpose except that where two or more members for this purpose share the same address only one notice need be given to the shared address. In this Rule **431**:

- (a) “electronic communication” means the same as in the Electronic Communications Act 2000; and
- (b) “address” in relation to an electronic communication includes any number or address used for the purposes of such electronic communication.

**431.2** All notices to be given to members in writing shall be deemed to have been duly served if addressed to the member at the last address supplied by the member for that purpose and delivered at or sent by pre-paid post to that address and the deemed time of service shall be 48 hours after the notice is so delivered or so posted. All notices to be given to members by electronic

communication shall be deemed to have been duly served if the electronic communication was sent in accordance with the guidance issued by the Institute of Chartered Secretaries and Administrators and the deemed time of service shall be 48 hours after the time it was sent. Any notice given to members by public announcement in a national newspaper shall be deemed to have been given on the date of publication of such newspaper.

#### **Rule 442 - Copies of Memorandum and Rules**

The Secretary shall give a printed copy of the Memorandum and these Rules together with a copy of the certificate of incorporation of the Society annexed to such Rules upon request:

- a) free of charge to any member of the Society to whom a copy of these documents has not previously been given; and
- b) to any other person on payment of a fee of £1.00.

#### **Rule 453 - Amendment of Memorandum and Rules**

**453.1** No alteration of the Memorandum or these Rules shall take effect until it is registered or until such later date as is specified in the record of alteration.

**453.2** Subject to Rule **453.1**, the majority of the members at a general meeting of which notice has been given specifying the intention to propose an alteration to the Memorandum or these Rules may alter them by adding, rescinding or varying any provision.

**453.3** Subject to Rules **453.1**, **453.4** and **453.6**, and notwithstanding Rule **453.2**, the Board may alter the Memorandum or these Rules by adding, rescinding or varying any provision thereof.

**453.4** Where the Memorandum or these Rules are altered in accordance with Rule **453.3**, a resolution to approve the alteration shall be put to the next general meeting of the Society.

**453.5** Where the Memorandum or these Rules are altered in accordance with Rule **453.3** and a resolution to approve the alteration is not passed at the general meeting specified in Rule **453.4**:

- a) the alteration shall cease to be acted on from the conclusion of that general meeting; and
- b) the Memorandum or these Rules (as the case may be) as it existed prior to the alteration shall be taken to be a further alteration and be submitted for registration as an alteration to the Memorandum or these Rules (as the case may be) forthwith,

but the failure to pass to such a resolution shall not invalidate any act or policy of the Society or the Board effected under the altered Memorandum or Rules (as the case may be) prior to that general meeting.

453.6 The Society may change its name by a resolution of the Society in general meeting after the giving of such notice as is required for a special resolution. Notice of the change shall be sent to the relevant regulatory authorities in the prescribed form.

453.7 The registered office of the Society may from time to time be changed by resolution of the Board in which event the Society shall send notice of such change to the relevant regulatory authorities in the prescribed form within three months of the date on which such resolution was passed.

#### **Rule 464 - Personal Pension and Free-Standing Additional Voluntary Contribution Schemes**

464.1 The Society may provide personal pension and free-standing additional voluntary contribution schemes approved by HM Revenue and Customs under the applicable legislation.

464.2 Any scheme provided by the Society under Rule 464.1 shall be established by the Society by deed and administered in accordance with the rules of the scheme concerned as established and as varied from time to time by or to accord with official directives issued by the relevant regulatory authorities.

464.3 No subsequent amendment of these Rules shall be made which would have the effect of varying or rescinding the provisions of Rule 464.2 unless such amendment shall first have the written consent of the relevant regulatory authorities.

464.4 The contributions and benefits in respect of personal pension and free-standing additional voluntary contribution schemes established in accordance with the provisions of this Rule 464 are set out in the appropriate product terms.

464.5 Notwithstanding anything to the contrary elsewhere in these Rules, no nomination shall be made of any monies payable under contracts made pursuant to this Rule 464, otherwise in accordance with the terms of the personal pension or free-standing additional voluntary contribution scheme concerned.

464.6 Any existing or prospective member of either sex who is at least 17 years next birthday and who satisfies the membership conditions specified in the rules of the scheme concerned shall be entitled to participate in that scheme.

#### **Rule 475 - Pension Managed Fund and Safety First Funds**

475.1 The Society shall have a "Pensions Managed Fund" and a "Safety First Fund" (together hereinafter referred to in this Rule 475 as the "Funds") which shall be separately identifiable funds maintained by the Society solely for the purpose of calculating benefits under certain policies issued by the Society under product terms under which benefits are provided under personal pension or free-standing additional voluntary contribution schemes approved under applicable legislation.



475.2 The Society shall maintain any number of separately designated benefit sub-funds of the Funds, each of which shall comprise such identifiable assets comprising the Funds as the Board shall from time to time consider appropriate in respect of such Funds in view of the provisions of the relevant product terms.

Such benefit sub-funds shall be established for the sole purpose of quantifying benefits payable to members in accordance with the provisions of the relevant product terms. Each benefit sub-fund shall be credited with the income and capital gains attributable to the assets so identified and shall be debited with any costs incurred in relation to the acquisition or disposal of these assets, together with such sums as may be debited or credited in accordance with the provisions of the relevant product terms. The Board shall also have power to maintain a separate sub-fund of the Funds to be known as the Reserve Fund.

The investments of the Safety First Fund shall consist of fixed rate return investments only.

The investments of the Pensions Managed Fund shall, subject to the requirements of HM Revenue and Customs, the relevant regulatory authorities and applicable law, consist of investments as described within the provisions of Rule 375.

47.3 The investments comprising the Pensions Managed Fund shall be valued as follows:

- a) All real property and/or land whether freehold or leasehold shall be valued by independent chartered surveyors appointed by the Board for that purpose. The valuation of such properties shall be carried out so that the period between valuations shall not exceed twelve calendar months, and for the purposes of Rule 475.4, the value of such properties shall be taken as that determined at the last valuation adjusted for the subsequent period on a basis to be laid down by the independent chartered surveyors.
- b) All government stock, local and public authority securities, debenture and/or loan stock quoted ordinary and/or preference shares of companies shall be valued by stockbrokers appointed by the Board for that purpose. The valuation of such stocks and shares is to be carried out whenever the bid and offer prices are determined in accordance with Rule 475.4.
- c) All other investments from time to time comprising the Pensions Managed Fund shall be valued in such manner and at such times as the Board, after having sought the advice of the Actuarial Function Holder, may determine appropriate for the investment concerned.

475.4 The Funds shall be divided into units which shall have a bid price and an offer price. The Funds shall be valued and the bid and offer price shall be determined at least once in each calendar month. The bid price shall be determined as the total net value of the assets of the Funds divided by the

total number of units in existence at the valuation, the result being rounded by an amount not exceeding 1% thereof.

The total net value of the assets shall be taken as not less than the highest available open market value exclusive of expenses of sale which could be obtained on sale of the assets and not more than the lowest available open market value inclusive of expenses of purchase at which the assets could be bought, reduced in either case by all liabilities of the Funds including any borrowings of the Fund, and accrued interest, accrued charges on the Funds including the management charge described in Rule 475.6(d) and any reserves or provisions which the Society in its absolute discretion considers appropriate for any outgoings of the Funds, whether actual or prospective. The offer price shall be determined as the total net value of the assets of the Funds divided by the total number of units in existence at the valuation, increased by 5% and subject to rounding of not more than 1%. The offer and bid price so calculated shall be the unit price ruling until the next valuation is made. The Society's determination of such prices shall be conclusive.

475.5 On the creation of units an amount equal to the value at bid price of the units to be created shall be transferred into the Funds. On the cancellation of units there shall be transferred out of the Funds an amount equal to the value, at bid price, of the units to be cancelled. The total number of units in existence at any time need not correspond to the number of units allocated to policies for the purposes of determining benefits payable and the Society shall hold any units not allocated to policies as part of the Funds.

475.6 The Funds shall be credited with:

- a) amount in respect of the creation of units as set out in Rule 475.5;
- b) all capital appreciation and net income attributable to assets of the Funds.

The Funds shall be debited with:

- a) amounts in respect of the cancellation of units as set out in Rule 475.5;
- b) any taxes and/or levies incurred in relation to the Funds or the policies linked to them;
- c) interest on any borrowings of the Funds and any costs of buying, selling, valuing, managing or maintaining the investments of the Funds and any other costs or outgoings not otherwise provided for and incurred in relation to the Funds or the policies linked to them;
- d) a management charge based on the net value of assets of the Funds in respect of each calendar month such charge to be calculated and debited at a date in that month on which the Funds are valued under Rule 475.4. Such management charge may be varied by the Board, after having sought the advice of the Actuarial Function Holder.



475.7 The management of the Funds shall be under the control of the Board and such control shall be exercised within these Rules.

475.8 This Rule 475 shall not be amended or rescinded except with the written consent of HM Revenue and Customs and the relevant regulatory authorities,

### **Rule 486 - Compensation Scheme**

The Board may subscribe in the name of the Society to any scheme made under arrangements entered into between the Society and other registered and/or incorporated friendly societies and approved under the applicable legislation for the purpose of making funds available to meet losses incurred by any society which is a party to the arrangements or by the members of any such society by virtue of their membership of it and shall, in the event of such subscription being made:

- a) bind the assets of the Society to pay out of such fund or funds of the Society as the Board shall determine any sums required by the rules of the scheme;
- b) nominate from time to time a person to represent the Society as a member of any company or association formed to administer such scheme;
- c) indemnify out of the fund or funds of the Society as aforesaid such nominee against any expenses or subscriptions of such membership; and
- d) comply with any other duties or obligations of membership of such scheme.

### **Rule 497 - Transfers of Engagements**

Subject to the provisions of the Act, the Society may accept a transfer of engagements of any friendly society and for this purpose the Society shall have power to sign and execute all such documents as shall be required by the Act, any regulations made pursuant to the Act and by the relevant regulatory authorities in respect of such transfer.

### **Rule 5048 - Rules of Transferred Societies**

On the transfer to the Society of the engagements of any other friendly society pursuant to Rule 497, the rules of such other friendly society shall cease to apply, save to the extent that the same set out product terms.

### **Rule 5149 - Interpretation**

In these Rules, unless the contrary intention appears:

5149.1 Words denoting the masculine gender shall be deemed to include the feminine and "person" includes individuals, bodies corporate (wherever incorporated), partnerships, unincorporated associations and other

unincorporated bodies (in each case, wherever resident and for whatever purpose).

5149.2 Words in the singular shall include the plural and words in the plural shall include the singular.

5149.3 The “Act” means the Friendly Societies Act, 1992.

5149.4 “special resolution” has the meaning given by paragraph 7 of Schedule 12 to the Act.

5149.5 “Memorandum” means the Society's memorandum as from time to time established and retained at the Society's registered office.

5149.6 “Board” means the Board of Directors being the Committee of Management of the Society constituted in accordance with Rule 2018.

5149.7 “Actuarial Function Holder” means the holder of the “Actuarial Function” as defined in the relevant regulations.

5149.8 A reference to “With-Profits Actuary” shall have the meaning given to that phrase in the relevant regulations.

5149.9 A reference to a “With-Profits Policyholder” shall have the meaning given to that phrase in the relevant regulations.

5149.10 The “Rules” or “these Rules” means the Rules of the Society.

5149.11 “controlled body” means a body corporate in respect of which the Society has control or joint control within the meaning of Section 13 of the Act.

5149.12 “members” means the members of the Society as defined in Rule 1.1.

5149.13 “tax-exempt business” means tax-exempt life or endowment business as defined in the Income and Corporation Taxes Act, 1988.

5149.14 “policy” includes, but is not limited to, any policy of assurance or certificate issued by the Society representing the interest of a member in the appropriate funds;

5149.15 “Committee” means any sub-committee of the Board established as provided in Rule 2018.9.

5149.16 References in these Rules to any statute or statutory provision include a reference to that statute or statutory provision as amended, extended, consolidated, replaced or re-enacted (with or without modification) from time to time and to any previous statute or statutory provision which the first mentioned statute or statutory provision amends, extends, consolidates or replaces and includes any order, regulation, instrument or other subordinate legislation made under the relevant statute or statutory provision.

51.17 “electronic general meeting” means a general meeting hosted on an electronic platform, whether the general meeting is physically hosted at a specific location simultaneously or not;

51.18 “electronic platform” means any form of electronic platform and includes, without limitation, website addresses, application technology and conference call systems.

**Rule 520 - Validity of Previous Rules**

No Rules of Family Assurance Society registered under the Friendly Societies Act, 1974 shall have effect following the incorporation of Family Assurance Friendly Society Limited under the Friendly Societies Act, 1992.

**Rule 531 - Applicable Law**

Subject to the mandatory requirements of the law of a member state, or part thereof, the applicable law in respect of contracts of insurance entered into by virtue of these Rules, and any other contracts of insurance entered into with the Society shall be English law.