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1. NAME

The Society is a registered friendly society. It is called the Sheffield Mutual Friendly Society and is hereinafter referred to as "the Society".

2. REGISTERED OFFICE

The address of the registered office shall be 3 Maple Park, Maple Court, Wentworth Business Park, Tankersley, Barnsley, South Yorkshire, S75 3DP.

3. PURPOSES

(1) The purposes of the Society shall be the carrying on of the classes of business or other activity referred to below. Any business or activity referred to below:-

- (i) is to be carried on by the Society with a view to the provision for its members and such persons connected with its members as may be prescribed in these Rules; and
- (ii) is to be funded by voluntary contributions from members of the Society, with or without donations.

(2) Long term business of one or more of the following Classes:

Number	Description	Nature of business
1	Life and annuity	Effecting and carrying out contracts of insurance on human life or contracts to pay annuities on human life, but excluding (in each case) contracts within Class III of Head A of Schedule 2 to the 1992 Act.
111	Linked Long Term	Effecting and carrying out contracts of insurance on human life or contracts to pay annuities on human life where the benefits are wholly or partly to be determined by reference to the value of, or income from, property of any description (whether or not specified in the contracts) or by reference to fluctuation in, or an index of, the value of property of any description (whether or not so specified).
IV	Permanent health	Effecting and carrying out contracts of insurance providing specified benefits against risks of persons becoming incapacitated in consequence of sustaining injury as a result of an accident or of an accident of a specified class or of sickness or infirmity, being contracts that: <ul style="list-style-type: none"> (a) are expressed to be in effect for a period of not less than five years, or until the normal retirement age for the persons concerned, or without limit of time, and (b) either are not expressed to be terminable by the insurer, or are expressed to be so terminable only in special circumstances mentioned in the contract.

- (3) Business, not falling within the descriptions of insurance business in 2 above, consisting of the effecting and carrying out of contracts in accordance with which benefits are provided:-
 - (a) for the relief or maintenance of any persons during sickness or when in distressed circumstances; or
 - (b) to meet the funeral expenses of any persons.
- (4) In addition to the purposes in paragraph (1) above, the purposes of the Society may include the carrying on of:-
 - (a) social or benevolent activities which are not inconsistent with the other purposes of the Society;
 - (b) group insurance business in accordance with section 65A of the 1974 Act;
 - (c) reinsurance of risks insured by any other registered friendly society in accordance with section 23 of the 1974 Act.

4. MEMBERSHIP

- (1) Entry into the Society shall be open to males and females of sound health, subject to the maximum age at entry prevailing from time to time for those Tables under which a member is contracting.
- (2) The Committee shall have the power to refuse or decline membership pursuant to an application made by prospective members.
- (3) No refund of contribution shall be made to a member on cessation of membership, but if the policy lapses all benefits arising from it will be forfeited save for any entitlement under the terms of the policy, the Rules or the provisions of statute to a prepaid up policy for a reduced sum assured or to a cash surrender value.
- (4) When a member's arrears shall amount to a sum equal to 16 weeks contribution, and the member allows a fine imposed (of which the member has received notice either by letter or quarterly summons) to remain unpaid for more than 16 weeks from the date of such notice, the member shall not be entitled to any sick pay until 4 weeks after such arrears are reduced below 16 weeks contributions. Should the arrears amount to a sum equal to 18 weeks contributions, the member shall remain out of sick and death benefits until 8 weeks after such arrears have been reduced below the amount of 16 weeks contributions. Should the said arrears amount to a sum equal to 24 weeks contributions the member shall be expelled, and forfeit all claims upon the Society.
 - (i) Where a member has a regular premium investment linked policy which may or may not have a death or other benefits, the Society reserves the right to cancel such policy if it is more than 3 months in arrears. In such cases it will be converted to a paid up policy with no further participation in profits if applicable or a surrender value will be paid and all other benefits will be forfeit.
- (5) Before a person is admitted as a member for more than one unit he shall satisfy the Committee as to his general health and shall complete such documentation as the Committee may require.
- (6) A member who is a minor may, being 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 the Rules of the Society, but shall not vote or hold any office of the Society and may not nominate or join in nominating a person for election as a Member of the Committee or as Secretary of the Society.

5. REGISTER OF NAMES AND ADDRESSES

- (1) The Society shall maintain a register of the names and addresses of the members of the Society.
- (2) The register shall be kept at the Registered Office of the Society or at such other place or places as the Committee thinks fit.
- (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.

6. CONTRIBUTIONS AND BENEFITS

- (1) Subject to the terms of any policy and the Rules, the benefits payable to any person by the Society shall be calculated in accordance with the Tables.
- (2) Copies of the Tables shall be available free of charge to members at every office of the Society and will be sent free of charge to any member upon request.
- (3) Every member of the Society shall pay contributions/premiums and receive benefits as determined by the Committee, on the advice of the Society's actuary and in accordance with the appropriate Table. Benefits will also be subject to the conditions included in these Rules and policy documents setting out all the details of the conditions of the contract of insurance to each member.
- (4) The Society may contract with any suitable persons for an assurance which is tax exempt where:-
 - (a) the gross premium is not in excess of the statutory limits set from time to time by the Treasury, or
 - (b) the gross premium is not in excess of the statutory limits set from time to time by the Treasury, by way of annuity;
 - (c) there is no limit by way of gross sum or annuity under life endowment business which is not tax exempt, however, sums assured in certain circumstances may be subject to reassurance;
 - (d) the above limits are exclusive of any bonus or addition declared upon an assurance of a gross sum or annuity;
 - (e) the limits of non-taxable assurances shall in total, be inclusive of any other non-taxable assurance written with the Society or any other registered friendly society.
- (5) The Committee shall accept and honour full responsibility for all legitimate contracts, whether enacted under those Tables for which recruitment has now ceased or enacted by former Rules. The terms and conditions for all such contracts are available on application in writing to the Secretary.

7. SURPLUSES AND BONUSES

- (1) The with-profits business of the Society shall be managed in accordance with the relevant conduct of business rules and guidance laid down by the regulatory authorities.
- (2) The principles and practices that the Society adopts in managing with-profits funds shall be set out in writing and made available to members free of charge.
- (3) Distribution of surplus and bonuses shall be determined by the Committee upon the advice of the with-profits actuary.

8. DISQUALIFICATION AND FORFEITURE OF MEMBERSHIP

- (1) The Committee of Management may expel any member who
 - (a) has been imprisoned for any crimes;
 - (b) has been guilty of serious personal misconduct;
 - (c) has wilfully committed repeated and serious breaches of these Rules;
 - (d) has knowingly made any false statement or declaration with the object of imposing on the funds of the Society; or
 - (e) has made any wilful and material misstatement or omission in his application for membership.

9. SICKNESS OR ACCIDENT BENEFIT

- (1) Any member entitled to benefits, being unable to follow his employment through sickness or accident, shall apply to a duly qualified medical practitioner for a certificate stating the nature of the incapacity, if possible. Without such certificate, within 14 days after commencement of illness, no benefits shall be payable.
- (2) Where sick members are persons entitled to National Insurance Sickness Benefit, the "Request" slip provided by the Society must be furnished to the local office of the Department of Work and Pensions, when that office will notify the Society of the commencement and duration of any incapacity, except for the first 28 weeks of any illness or accident for which a self-certification form issued by the Society and completed by the employer will be accepted.

10. DEATH BENEFITS

No money shall be paid on the death of a member or other person, nor on any death certified by a Coroner or Procurator Fiscal to be the subject of a pending inquest or other inquiry, except upon the production of the grant of probate of the will of the member or other person or of letter of administration to his estate or of a certificate of confirmation to his estate or of a certificate of the said death, under the hand of the Registrar of Deaths, or other persons having the care of the Registrar of Deaths, in which such death is or ought to be entered. These documents shall be submitted to the Society accompanied by the form of application provided by the Society, duly completed. Provided the claim is in order, and the member has been initiated 12 calendar months, the Secretary shall authorise payment of the amount due to the person entitled to receive the same.

No claim shall be paid by the Society otherwise than as provided by the Acts.

Further, that an additional form be printed, and this to be forwarded with all death claims.

11. NOMINATION

- (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, not exceeding the limit for the time being specified by law, shall be paid at his decease.
- (2) All such nominations shall be made in writing under the hand of the member, and be delivered or sent to the Registered Office of the Society.
- (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, father, mother, child, brother, sister, nephew or niece of the nominator.
- (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.

- (5) The marriage of a member shall operate as a revocation of any nomination previously made by him.
- (6) Nominations, revocations and variations may be in the forms supplied by the Society on application.

12. COMMITTEE OF MANAGEMENT

- (1) The business of the Society and any business that the Society proposes to carry on shall be under the direction of a Committee of Management (herein referred to as "the Committee") consisting of not more than 12 nor (subject to the provisions of Rule 22(6)) less than 5 members and the Committee may from time to time resolve the number who together shall constitute the Committee within these limitations.
- (2) Subject to the provisions of the Acts and these Rules and to any directions given by special resolution, the business of the Society shall be managed by the Committee who may exercise all the powers of the Society.
- (3) No amendment of the Rules and no direction as specified in (2) above shall invalidate any prior act of the Committee which would have been valid if that amendment had not been made or that direction had not been given.
- (4) Without prejudice to the generality of the foregoing paragraphs (1), (2) and (3), the Committee:
 - (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 Committee 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 these Rules, and with the Acts;
 - (b) shall supervise the activities of any branch of the Society;
 - (c) may make, vary or revoke regulations for the conduct of business at its meetings, including, but not limited to;
 - (i) voting rights, including casting votes;
 - (ii) special meetings, and
 - (iii) minutes of meetings;
 - (d) may pay out of the funds of the Society the expenses of the Society and such sums as the Committee may deem necessary or expedient to be paid in the interests of the Society, but no Committee 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 these Rules, and with the Acts;
 - (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.
- (5) The Committee shall meet for business as often as it shall find necessary and half the number of the Committee shall form a quorum.
- (6) The validity of any proceedings or acts of the Committee shall not be affected by any vacancy among the Members or by any defect in the appointment of a Member.

13. ELIGIBILITY AND ELECTION OF THE COMMITTEE OF MANAGEMENT

- (1) No individual shall be elected or appointed as a Committee Member unless:
 - (a) he/she will be less than 70 years of age at the date on which the election, or in the case of an appointment under Rule 22, the appointment, would take effect;
 - (b) he/she is over the age of 21 years;
and
 - (c) except in the case of appointment under Rule 22 or nomination under paragraph (4) below, a form nominating him, signed by not less than thirty members who comply with the requirements of paragraph (3) below and addressed to the Secretary, has been delivered at the Registered Office 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 and that date shall be deemed to be the date of nomination for the purposes of paragraph (3) below.
- (2) In exercise of its duties pursuant to Rule 12(4) the Committee may require any individual nominated for election as a Committee Member to supply in writing such forms as the Committee may specify, evidence as to his qualifications, financial and managerial experience, creditworthiness, competence and character and to complete in draft any form or questionnaire that, if elected, he would be required to submit to any regulatory authority in accordance with the Acts.
- (3) The requirements with which a member must comply in order to be eligible to nominate an individual as a Committee Member are as follows:
 - (a) he must have been a member for not less than two years before the date of nomination; and
 - (b) he must not be in arrears with his contributions; and
 - (c) he must not be less than 21 years of age at that date.
- (4) If a vacancy arises on the Committee 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 Committee Member who was seeking re-election, the Committee may without giving notice under Rule 27 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 under 21 years of age;to take the place of such retiring Committee Member as a candidate for election and such Member shall be deemed to be a retiring Committee Member or 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 Committee shall be and become a vacancy which the Committee has power to fill under Rule 22.
- (5) Where a person becomes or ceases to be a Member of the Committee, the Society shall within one month give notice of that fact to the regulatory authorities. The notice shall state the person's full name and address and the date on which he became, or ceased to be a Member of the Committee and, in the case of a person becoming a Member, the date of his birth.

- (6) Any individual duly elected to the Committee should either be a member of the Society or become one within three months of his/her election. Failure to do so will require the Committee Member to resign from office.

14. APPOINTMENT OF CHAIRMAN AND VICE-CHAIRMAN

- (1) At its first meeting after every Annual General Meeting the Committee shall elect from its number a Chairman and a Vice-Chairman who shall, subject to paragraph (3) below, hold office until the commencement of the first meeting of the Committee held after the next Annual General Meeting unless either shall cease in the meantime to be a Committee Member or shall resign the office. The Chairman shall preside at all meetings of the Committee at which he is present and in the absence of the Chairman the Vice-Chairman shall take his place.
- (2) If the Chairman and Vice-Chairman so elected shall both be absent from a meeting of the Committee or shall both decline to act as Chairman, the Committee Members present at that meeting shall elect a Committee Member to be Chairman for the purposes of that meeting.
- (3) The Committee may at any time remove the Chairman or Vice-Chairman from office.
- (4) The Committee shall fill from its number any casual vacancy (whether or not arising from the exercise of its power under paragraph (3) above) in the office of Chairman or Vice-Chairman and a Chairman or Vice-Chairman so elected shall, subject to paragraph (3) above, hold office until the commencement of the first meeting of the Committee held after the next Annual General Meeting unless he shall cease in the meantime to be a Committee Member or shall resign the office.

15. REMUNERATION AND EXPENSES OF OFFICERS

- (1) The annual remuneration of the Officers as Members of the Committee (exclusive of any remuneration paid in respect of executive duties) shall be paid at a rate to be determined by the Committee 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.
- (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 Committee. He may also, by resolution of the Committee, be paid for professional or other work done by him on behalf of the Society in addition to his usual services as an Officer.

16. VALIDITY OF ACTS

All acts done by the Committee or any sub-committee, or any person acting as a Committee Member shall, notwithstanding that it be afterwards discovered that there was some defect in the constitution of the Committee or sub-committee or in the election or re-election or appointment of any Committee Member or sub-committee Member or person acting as aforesaid, or that any person was disqualified from holding office or was not entitled to vote, be as valid as if the Committee or sub-committee had been properly constituted and as if every such person had been duly elected or re-elected or appointed or entitled to vote and, where appropriate, was qualified and had been a Committee Member.

17. OFFICES OF PROFIT

- (1) A Committee Member may hold any office or place of profit with the Society (other than the office of auditor or valuer) simultaneously with his office of Committee Member and may be appointed by the Committee to an office or place of profit with any body corporate in which the Society is, or will be, interested.
- (2) A Committee Member so appointed to an office or place of profit with a body corporate in accordance with paragraph (1) above shall disclose to the Committee any benefit he derives from any such office or place in the financial year in which it is received.
- (3) A Committee Member, notwithstanding his interest, may be counted in the quorum present at any meeting at which he or any other Committee Member is appointed to hold any office or place of profit with the Society or with any body corporate in which the Society is, or will be, interested or at which the terms of any such appointment are arranged. He may vote on any such appointment or arrangement other than his own appointment or the arrangement of the terms of that appointment.

18. INTEREST IN CONTRACTS

- (1) Subject to a Committee Member's complying with the provisions for the time being of the Acts that:
 - (a) require him to declare to the Committee 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 a party or in which he is interested by reason of his being at the same time a Committee Member.
- (2) No Committee Member may vote as a Committee Member in regard to any contract or proposal 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 is under consideration.
- (3) Notwithstanding anything contained in the Rule, the prohibition contained in the above paragraph (2) may at any time or times be suspended or relaxed to any extent by resolution at a General Meeting of the Society.
- (4) In this rule the term "contract" includes any transaction or arrangement.

19. APPOINTMENT OF OFFICERS, EMPLOYEES AND OTHERS

- (1) The Society must have a Chief Executive and Secretary who shall be appointed and whose appointment may be terminated by the Committee. The Chief Executive may not hold the position of Chairman. The Chief Executive and Secretary shall attend all meetings of the Society and of the Committee. The Secretary shall record correctly the names of the Officers and members of the Committee there present, and the minutes of the proceedings, which he shall transcribe into a book to be authenticated by the signature of the Chairman as the proceedings of the meeting. He shall receive proposals for admission to the Society. He shall produce all books, documents, property and money of the Society in his possession, and render a full and clear

account at each audit and whenever required by resolution of the Society or of the Committee or by the Trustees of the Society. He shall also pay over all monies, and give up all books, documents and property belonging to the Society, when ordered to do so, by a resolution thereof or of the Committee or by the Trustees of the Society. He shall summon and give due notice of all meetings of the Society and of the Committee and keep the accounts, documents and papers of the Society in such manner and for such purposes as the Committee may appoint, and shall prepare all returns and other documents required by the Acts and duly forward them to the regulatory authorities. The Chief Executive shall on all occasions, in the execution of his office, act under the superintendence, control and direction of the Committee.

- (2) The Chief Executive is responsible under the immediate authority of the Committee for the conduct of the business of the Society.
- (3) The Committee 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.
- (4) Where a person becomes or ceases to be the Chief Executive or the Secretary, the Society shall within one month give notice of that fact to the regulatory authorities stating the person's full name and address and the date on which he became, or ceased to be, Chief Executive or Secretary.
- (5) The Committee may also:
 - (a) appoint and terminate the appointment of any such Chief Executive, employees, advisers and agents as the Committee may at any time determine;
 - (b) appoint under this Rule more than one person to any office or place with the exception of the office of Chief Executive and Secretary; and may require from any person appointed under this Rule such guarantees as in its judgment shall appear necessary.
- (6) The powers and duties of persons appointed under this Rule shall be those given them from time to time by the Committee 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.
- (7) The Society shall have a minimum of two Trustees. The Trustees shall be appointed by a resolution of the Society in General Meeting. The Society shall notify the regulatory authorities of the appointment of any Trustee in the manner required by Section 24 of the 1974 Act.
- (8) The same person may not be Secretary or Treasurer and also a Trustee of the Society.
- (9) The Trustee shall hold office for a period of five years from the Annual General Meeting at which he/she was appointed at which time he/she will retire from office. Subject to his/her continued eligibility he/she may offer him/herself for re-election as a Trustee or under the provisions of Rule 13 as a Committee member. In the event of any Trustee dying, resigning or being removed from office, another Trustee shall be appointed in accordance with this Rule.

20. INDEMNITY TO COMMITTEE MEMBERS, OFFICERS AND EMPLOYEES

- (1) Every Committee Member, and every other Officer and every employee of the Society shall be indemnified by the Society against any liability in respect of losses, costs, charges, damages and expenses which might arise from, or in the course of, his duties, but not against any such liability as, by virtue of any rule of law or of the Acts, would attach to him in respect of any negligence, default, breach of duty or breach of trust of which he might be guilty in relation to the Society. He shall, however, 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.

- (2) The Society may take out a policy of insurance to cover any such indemnity or liability as is mentioned in paragraph (1) above.

21. VACATION OF OFFICE AND DISQUALIFICATION

- (1) A Committee Member shall cease to hold office:
- (a) If he resigns his office by notice in writing to the Secretary;
 - (b) if he takes up a permanent residence outside the United Kingdom;
 - (c) if he is requested in writing by all his co-Committee Members to resign and a resolution that he has vacated office is thereafter passed at a meeting of the Committee by at least four-fifths of the Members of the full Committee;
 - (d) if for more than six consecutive months he absents himself without permission of the Committee from meetings of the Committee held during that period and the Committee passes a resolution that he has vacated office;
 - (e) if he becomes bankrupt or is subject to sequestration;
 - (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 2007 or he is admitted to hospital under the provisions of the Mental Health (Scotland) Act 2003 or the provisions of the Mental Health (Amendment) (Northern Ireland) order 2004; 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 27 that he shall cease to be a Committee Member passed by a majority of the votes cast on a poll at a General Meeting;
 - (h) if, whilst a Committee Member of the Society and without the prior consent of his co-Committee Members, he accepts the office of a director or any similar position in any other organisation, company or body deemed by the Committee to be in direct competition with the business of the Society;
 - (i) upon the conclusion of the Annual General Meeting next following the date at which he attains 70 years of age;
 - (j) if he becomes prohibited by law from being a Committee Member;
 - (k) if he contravenes Rule 18 by knowingly or recklessly failing to declare an interest and the Committee passes a resolution that he has vacated office.
- (2) The Secretary shall give not less than 14 clear days' notice in writing to all Committee Members of a meeting at which it is intended to move a resolution that a Committee Member has vacated office. The notice shall set out the proposed resolution and, if all the requirements of this paragraph are not complied with, the resolution, even if passed, shall be of no effect.

22. FILLING OF CASUAL VACANCIES

- (1) In the case of any vacancy not occasioned by the retirement of any Committee Member by rotation the Committee may at any time, and from time to time, appoint an individual as an Committee Member to fill such a vacancy.

- (2) If the Committee resolves to increase the number of Members of the Committee within the limitations prescribed by Rule 12(1), the Committee may appoint an individual as an additional Member in order to fill any vacancy.
- (3) The Committee shall appoint under this rule only an individual who:-
- (a) appears to it to be fit and proper to be a Member, and
 - (b) is qualified under Rule 13(1) (as far as that Rule is applicable), and
 - (c) is not a person who, having been nominated for election as a Member at any election held within the preceding 12 months, was not elected as a Member.
- (4) A Committee Member appointed under this Rule shall hold office until the conclusion of the Annual General Meeting next following such appointment, or if earlier, the expiration of the period of 16 months beginning with the date of his appointment.
- (5) A Committee Member appointed under this Rule and retiring under paragraph (4) above shall be eligible for election without nomination, provided that he is qualified under Rule 13(1) at the date of the Annual General Meeting at which he retires and is not ineligible by reason of his age on that date.
- (6) Notwithstanding any vacancies on the Committee, the remaining Committee Members may continue to act. If at any time the number of Committee Members falls below the minimum of five prescribed by Rule 12, the Committee so constituted, although its Members are insufficient to form a quorum, may act by a majority of its Members for a maximum period of six months but the Chairman shall, notwithstanding any regulation under Rule 12(4) (c) not have a second or casting vote.

23. ELECTION OF COMMITTEE MEMBERS

- (1) Any Committee Member shall retire from office at the third Annual General Meeting of the Society following the date of his election but shall, subject to the provisions of Rule 13 hereof, be eligible for re-election as a Committee Member.
- (2) Elections of Committee Members shall be held at Annual General Meetings. If at such a meeting there is a contest for the office of Committee Member in that the number of candidates for election or re-election to the Committee exceeds the number of vacancies thereon, the vacancies shall be filled by those candidates obtaining the most votes. The vote shall be taken on a poll, which shall be deemed to have been demanded by the Chairman. The following provisions of the Rules shall apply to such poll:
- (i) the voting papers shall include the number of vacancies on the Committee and the full names of all the candidates;
 - (ii) subject to paragraph (i) above, the Committee may prescribe or approve the form of the voting paper and may include such other declarations and denoting of retiring Committee Members as it thinks fit;
 - (iii) the voting shall be effected by the placing of an X after the names of the candidates for whom the votes are to be cast;
 - (iv) the voting papers shall be void if a member votes for more candidates than there are vacancies to be filled;
 - (v) each member shall have one vote in respect of each vacancy to be filled, and
 - (vi) no member shall be required to cast all or any of the votes given him by (v) above.

- (3) If at an Annual General Meeting there is no contest for the office of Committee Member, then
- (a) any member both eligible for election and nominated under either paragraph (1) or (4) of Rule 13 shall be deemed to have been elected, and any retiring Committee Member offering himself for election or re-election who is qualified under Rule 13 at the date of the meeting and is then not ineligible by reason of his age shall be deemed to have been elected or re-elected unless a resolution that he shall cease to be a Committee Member, of which notice has been given under Rule 27(5) (b), shall be passed by three-fourths of the votes cast on a poll.

24. PENSION AND OTHER SCHEMES AND FUNDS

- (1) In this Rule the term "Officers" excludes any Committee Member who does not hold or has not held any executive position in the Society in addition to that of Committee Member.
- (2) The Committee 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;
 - (b) past and present Officers and employees of any society with which the Society merges in the future;
 - (c) the spouses, children and dependants of persons referred to in subparagraph (a) or (b) hereof.
- (3) In addition to the powers aforesaid the Committee 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;
 - (b) past Officers and employees of a society with which the Society has merged;
 - (c) any spouses, children or dependants of such Officers and employees mentioned in (a) or (b) hereof.
- (4) The Committee may make, vary and revoke the rules of any such fund or scheme as is mentioned in paragraph (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.

25. ANNUAL GENERAL MEETINGS

- (1) The Society shall hold an Annual General Meeting in each financial year at such hour, date and place as the Committee shall determine but not later than the 20th June in any such financial year.
- (2) Not more than 15 months shall elapse between the date of one Annual General Meeting and that of the next.
- (3) The persons entitled to attend the Annual General Meeting shall be the Officers, Committee Members, Trustees and members of the Society qualified under Rule 30(2):
- (4) The Committee shall lay before the Members at the Annual General Meeting the Annual Accounts of the Society for the last financial year before the date of that meeting, and shall also submit to them a report by the Committee (called in these Rules "the Committee's Report"), on the business of the Society, which Committee's Report shall include the information required by or under the 1992 Act and details of any bonuses determined by the Committee in accordance with Rule 7.

- (5) A Summary of the Annual Accounts shall be sent to each member who would be eligible to vote at the Annual General Meeting together with the notice of the Annual General Meeting.
- (6) In these Rules "Annual Accounts" means the classes of document (including the notes to them) which the Society is required (unless otherwise exempted) by or under the 1992 Act to prepare by way of accounts for itself.
- (7) The report of the Auditors on:-
 - (a) the Annual Accounts laid before the Annual General Meeting, and
 - (b) the Committee's Report;shall be laid before that meeting and shall be available for inspection by any member.
- (8) 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 Committee's Report submitted to the meeting;
 - (c) the report of the auditors on the documents listed in (a) and (b) above;
 - (d) the election and re-election of Committee 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 27; and
 - (g) business (including a motion for a resolution, whether special or ordinary, or a motion to add to, alter or rescind any of the Rules) brought before the meeting by the Committee.

26. SPECIAL GENERAL MEETINGS

- (1) All general meetings other than Annual General Meetings shall be called Special General Meetings.
- (2) The Committee may, whenever it thinks fit, convene a Special General Meeting.
- (3) The Committee shall convene a Special General Meeting on the requisition of not less than 10% of the membership qualified under paragraph (7) below. The requisition shall state the objects of the meeting (which must not however include the election of a Committee Member) and shall be signed by the requisitioners and deposited at the Registered Office and may consist of several documents in like form each signed by one or more requisitioners. A deposit of £5.00 in respect of each requisitioner signing the requisition shall be lodged with it. If within half an hour after the time appointed for the 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 deposit shall be appropriated either wholly or in part towards the expense of convening, and holding the meeting and to any extent to which the deposits are not so appropriated they shall be returned by the Society to the requisitioners equally.
- (4) If the Committee 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 paragraph (3) above, proceed to give notices convening a meeting to be held within 63 days after that date, the requisitioners or any proportion of them exceeding two-thirds may themselves convene a Special General Meeting. Any meeting so convened shall not be held after the expiration of five months from the date of the deposit of the sole or last requisition. Any 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 Committee and notices shall be sent by post to those persons entitled under Rule 27(4). Any reasonable expenses incurred by the requisitioners by reason of the failure of the Committee 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 Committee (whether by way of retention of fees or other remuneration in respect of services, or otherwise). The Committee or, as the case may be, the requisitioners, shall give the members notice of any resolution the requisitioners propose to move at the meeting at the same time and in the same manner as notice is given of the meeting.

- (5) No business shall be entertained at any Special General Meeting except such as shall be stated in the notice convening the meeting.
- (6) Except where the requisitioners themselves convene a Special General Meeting under paragraph (4) of this Rule, Special General Meetings shall be held at such hour, date and place as the Committee shall determine.
- (7) A member shall be qualified for the purposes of paragraph (3) above if he:
 - (a) has been a member of the Society for a continuous period of not less than two years prior to the date of the requisition.

27. NOTICE OF MEETINGS

- (1) At least 14 day's notice specifying the hour, date and place of the meeting shall be given to members as provided in paragraph (4) hereof.
- (2) The Notice shall specify:
 - (a) the nature of any resolution to be moved at the 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 Committee, 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.
- (3) The Annual General Meeting shall be described as such in the notice of meeting.
- (4) Notice of a meeting shall be sent to every member who would be eligible to vote at the meeting if the meeting were held on the date of the notice.
- (5) For the purpose of the following paragraphs of this Rule the following expressions shall have the following meanings:
 - (a) "Requisite Number" means 10% of the Society's membership, and
 - (b) "Members' Notice" means a notice given to the Society 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.
- (6) If the Society receives a Members' Notice, (subject to paragraphs (7) and (8) below) the Committee shall:
 - (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 that meeting under paragraph (4) above a copy of any statement of not more than 100 words with respect to the matter referred to in the resolution.

- (7) The Committee shall be under no duty:
 - (a) to include a Members' Notice in the notice of the Annual General Meeting, or
 - (b) to send to members such a statement as is mentioned in paragraph (6)(b) above if:
 - (i) the Members' Notice (or the last of the documents sufficient to enable it to comply with the requirements of paragraph (5)(b) above) and, if submitted, any statement given (of the kind mentioned in paragraph (6)(b) above) are given to or lodged with the Society later than the last day of the financial year preceding that 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, any such statement does not relate directly to the affairs of the Society, or
 - (iii) the rights conferred by paragraph (6) above are being abused to seek needless publicity for defamatory matter or for frivolous or vexatious purposes; or
 - (iv) the resolution specified in the Members' Notice is in substantially the same terms as any resolution that has been defeated at a meeting 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 paragraph (5)(b) above) is given to the Society.
- (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 paragraph (5)(b) above, the notice so given together with any statement lodged in accordance with that paragraph shall be sent with the notice of that meeting. If, however, that is not practicable, the notice so given and any statement so lodged shall be sent as soon as practicable after the despatch of the notice of that meeting.
- (9) A notice of a meeting shall be given by the Society by sending it by post to the registered address of the member and in this paragraph and in paragraphs (10) to (12) below the term "notice" includes any such notice given or statement lodged by members as is required to be sent by paragraph (5)(b).
- (10) Where a notice is required to be sent to a member who has appointed a power of attorney, a notice of a meeting shall be given to the holder of such power of attorney which has been duly registered in the records at the Registered Office by sending the notice by post to the registered address of the holder of the power of attorney. No notice shall be given to the member who gave the power.
- (11) Where a notice is required to be sent to a member, if a member is suffering from mental disorder, a notice of a 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 by 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.
- (12) The accidental omission to send a notice of a meeting to, or the non-receipt of a notice of a meeting by any person entitled to receive notice shall not invalidate the proceedings at that meeting.

28. QUORUM AT GENERAL MEETINGS

- (1) No business shall be considered at any Annual General Meeting or Special General Meeting unless a quorum is present, and a quorum shall be constituted for all purposes by 15 members present and entitled to vote.
- (2) If no quorum shall be present within half an hour after the time appointed for the Annual General Meeting or Special General Meeting, or if during such meeting a quorum ceases to be present, the Chairman of the meeting shall adjourn it to such hour, date and place as he shall direct, unless it is a Special General Meeting requisitioned under Rule 26 (3) or (4) whereupon the Chairman of the meeting shall dissolve it.

29. PROCEDURES AT GENERAL MEETINGS

- (1) The Chairman of the Committee (or, in his absence, the Vice-Chairman of the Committee) will preside at every General Meeting of the Society. If there is no such Chairman or Vice-Chairman or if neither the Chairman nor the Vice-Chairman is present within fifteen minutes after the time appointed for the meeting or if both the Chairman and the Vice-Chairman are unwilling to act, the Committee Members present shall elect one of their number to be Chairman of the meeting. If at any meeting no Committee member is willing to act as Chairman, or if no Committee Member is present within fifteen minutes after the time appointed for the meeting, the Members present and entitled under Rule 26 above to be included in the quorum for the meeting shall choose one of their number who is present to be the Chairman of the meeting.
- (2) The Chairman of the meeting may, notwithstanding the presence of a quorum (and shall, if so directed by a resolution of the meeting), adjourn the meeting from time to time and from place to place, but except as provided in paragraph (10) of the Rule no business shall be transacted at any adjourned meeting other than the business left unfinished and not reached at the meeting from which the adjournment took place.
- (3) Every adjourned meeting shall be deemed a continuation of the original meeting and any resolution passed at an adjourned 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.
- (4) When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting but otherwise it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- (5) Subject to the 1992 Act and these Rules every question submitted to an Annual General Meeting or Special General Meeting shall be decided by a simple majority and such votes shall be taken in the first instance by a show of hands.
- (6) A poll may (before or on the declaration of the result of the show of hands) be demanded by:
 - (a) the Chairman of the meeting, or
 - (b) 10 members who are entitled to vote at the meeting and are present in person or by proxy, by attorney or by representative;and in the event of such a demand, a poll shall be taken in accordance with paragraph (10) of this Rule, but no poll shall be permitted upon a resolution to appoint a Chairman or as to whether the meeting should be adjourned.
- (7) Unless a poll be so demanded, a declaration by the Chairman 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 meeting shall

be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of, or against, such resolution.

- (8) If a motion for a Special Resolution is to be put to the vote of the meeting or there is a contest for the office or appointment of a member of the Committee or auditor, a poll shall be deemed to have been demanded by the Chairman.
- (9) Except in the case of a motion for a Special Resolution or of a contest for the office or appointment of Committee Member or Auditor, the demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the Chairman, 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.
- (10) If a poll is duly demanded in accordance with paragraph (6), it shall be taken at the meeting at which it is demanded or, if the Chairman so decides, at an adjourned meeting and in either case in such manner, subject to paragraph (12) below, as the Chairman directs and the result of the poll, shall, notwithstanding paragraph (3) of this Rule, be deemed to be the resolution of the meeting or adjourned meeting at which the poll was taken. The Chairman may, in the event of poll, appoint the scrutineers (who must 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.
- (11) A poll demanded on a question of adjournment shall be taken forthwith and the result declared immediately upon the conclusion of the taking of the poll. A poll demanded on any other question shall not prevent the continuance of a meeting for the transaction of any business other than that upon which the poll has been demanded.
- (12) Voting papers to be used on a poll shall be valid only if they are issued by the Society.
- (13) In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place, or at which the poll is taken, shall be entitled to a casting vote.

30. ENTITLEMENT OF MEMBERS TO VOTE ON RESOLUTIONS

- (1) In this Rule "Voting date" means -
 - (a) the date of the 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 meeting, the date the Society specifies as the final date for the receipt of instruments appointing proxies to vote on that resolution.
- (2) A member is entitled to vote on an Ordinary Resolution or a Special Resolution if he was, at the end of the last financial year before the voting date, and is, on the voting date, a contributing member, is no less than 18 years of age on that date, and is no more than 3 months in arrears with contributions.
- (3) On a show of hands every member who is present in person or by attorney or by a representative shall be entitled to one vote and on a poll a member may vote in person or by proxy or by attorney or by representative.
- (4) The holder of a power of attorney from a person who is a member and who is entitled to vote shall, if the power of attorney is duly registered at the Principal Office and if the power has the effect of authorising the holder to exercise the rights of the member under the Rules, be entitled to vote in all circumstances as if he were a member and in the member's place but he shall not be entitled to appoint a proxy or an attorney.

(5) The right to vote shall be limited to those persons on whom this Rule confers a right to vote.

30a APPOINTMENT OF PROXIES

- (1) A member entitled to attend and vote at a 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 meeting instead of him, and
 - (b) may direct the proxy how to vote at the meeting.
- (2) An instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit.

"I

of

hereby appoint the Chairman of the meeting

or, failing him

of

as my proxy to attend and vote in my name and on my behalf at the meeting of the Society to be held on the day of and at any adjournment thereof.

Unless instructed to vote for or against the resolution(s) (as set out in the notice convening the meeting) by the placing of an X in the box(es) below, the proxy will abstain or vote at his discretion.

Resolution No For Against

Dated this day of 20

Signature

- (3) The instrument appointing a proxy or a representative shall be received at the Principal Office not less than 48 hours before the time and date of the meeting, or adjourned meeting, and in default the instrument shall not be treated as valid.
- (4) The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll but, otherwise a proxy shall have no right to speak at the meeting.
- (5) If a member who at the final date for the receipt of proxy instruments determined under paragraph (3) above is entitled to attend and vote at the meeting appoints a person as a proxy to vote instead of him at the meeting and then ceases after that date to be so entitled, that person may notwithstanding Rule 30(2) act as the member's proxy at that meeting.

(6) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding -

- (a) 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 intimation in writing of such death, mental disorder, revocation or transfer as aforesaid shall have been received by the Society at its Principal Office before the commencement of the meeting or adjourned meeting at which the proxy is used;
- (b) that since the last date specified for the deposit of instruments of proxy the appointor has ceased to be entitled to attend and vote at the meeting.

30b POSTAL BALLOTS

- (1) The Committee may determine to submit a resolution for decision by postal ballot, but the power conferred by this Rule shall not be exercisable in respect of -
 - (a) Members Resolutions, or
 - (b) any other resolution required by the statutes to be passed at a meeting of the Society, or
 - (c) resolutions for the appointment or re-appointment of an auditor or for the removal of an auditor before the expiration of his term of office.
- (2) If any resolution is passed or is rejected at any general meeting or adjourned general meeting then, if in the opinion of the Committee the carrying into effect of such resolution would be injurious to the Society (in the one case) or the passing of such resolution would be beneficial to the Society (in the other case), the Committee may within one month after that meeting -
 - (a) determine to submit the resolution for decision by postal ballot, and
 - (b) cause the operation of a resolution passed to be suspended until such a decision.
- (3) Within one month (or such longer period as the Committee may deem necessary) after the determination of the Committee under paragraphs (1) or (2) above the Society shall give notice of the postal ballot which, accompanied by or incorporating a voting paper, shall be sent -
 - (a) not less than 21 days nor more than 56 days before the date which the Society specifies for the receipt of the completed voting papers, and
 - (b) subject to Rule 42, by post to the Registered Address of every member who would be eligible to vote on the resolution if the voting date fell on the date of the notice of the postal ballot, "the voting date" here meaning the date specified for the receipt of the completed voting papers, and
 - (c) to every person eligible to vote on the resolution if he remained such a member until the voting date.
- (4) The notice of a postal ballot sent in accordance with paragraph (3) above -
 - (a) shall contain such other notices relating to the resolution, and
 - (b) shall be accompanied by such other documents, as would be required to be given, sent or delivered to a member with a notice of a meeting, had it been intended to vote on the resolution at a meeting instead of by postal ballot with the exception of any notices relating to voting by proxy at a meeting.

- (5) The accidental omission -
 - (a) to give notice of a postal ballot, or
 - (b) to send a voting paper or any document required by paragraph (4) above to accompany such a notice to any person entitled to receive it, or non-receipt of such a notice, voting paper or document by such a person, shall not invalidate the postal ballot.
- (6) The voting paper shall be in such form and be accompanied by or incorporate any explanatory note as the Committee may decide.
- (7) Subject to the foregoing provisions of this Rule, the Committee shall make regulations for the conduct of the ballot (including the appointment of a person to decide all questions that might arise relating to the postal ballot except such as are by this Rule delegated to the Committee) and shall fix a time (not being later than seven days after the final date for the receipt of voting papers) and place at which the voting papers shall be opened and counted.
- (8) A member to whom a voting paper is sent in accordance with paragraph (3) above shall be entitled to one vote on any resolution.
- (9) The matter in question shall be decided by the appropriate majority of the votes given and where relevant the appropriate proportion of eligible members voting and if the decision is -
 - (a) to rescind a resolution, it shall be rescinded as from the time at which the counting of the votes is completed but any such rescission shall not affect the validity of any act done under the resolution before it was suspended, or
 - (b) to carry into effect or to pass a resolution, that resolution shall come into effect as from the time at which the counting of the votes is completed.
- (10) The Committee shall announce the result of the postal ballot by a notice displayed in a prominent position at the Principal Office.

30c COUNTING OF VOTES

If on a show of hands, a poll or a postal ballot -

- (a) any votes are counted that ought not to have been counted or,
- (b) any votes are not counted that ought to have been counted, the error shall not vitiate the decision arrived at unless it has been in the opinion of the Chairman or in the case of a postal ballot the individual appointed by the Committee pursuant to regulations made under Rule 30b(7) of sufficient magnitude so to do.

31. ACCOUNTS, SYSTEMS OF CONTROL

- (1) The Committee shall cause accounting records of the Society to be kept, and established and maintain systems of control of its business and records and of inspection and report, in accordance with the 1992 Act. The accounting records shall be preserved for at least six years and to such an extent beyond six years as is necessary to ascertain the contributions record and to determine the benefit entitlement of each person who is, or has within the last six years been a member.
- (2) The Committee shall in each financial year, not later than 15th March, send five copies to the regulatory authorities, and
- (3) The Secretary shall supply free of charge to every member on written demand copies of the Annual Accounts for the last financial year, the Committee'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.

32. INSPECTION OF BOOKS

The Committee 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 access to personal information in respect of any other member (other than information contained in the register of members) without the written consent of that member.

33. AUDITORS

- (1) At each Annual General Meeting the Society shall appoint an auditor to audit its annual accounts who is a person eligible for appointment as auditor of a friendly society. An individual or a firm may be appointed as auditor. The Society shall, within one week of the date of the meeting, notify the regulatory authorities if no auditor has been appointed or re-appointed.
- (2) For the purpose of this rule a person is eligible for appointment as auditor of a friendly society who is a member of any of the supervisory bodies recognised under the Companies Act 2006 and is not ineligible for appointment under the rules of that body. None of the following shall be appointed as auditor of the Society:
 - (a) an officer or employee of the Society, or
 - (b) a partner or an employee of such a person or a partnership of which such a person is a partner, or
 - (c) a person who has, or whose immediate associates have, connections with the Society, or
 - (d) a person who is ineligible by virtue of part 16 of the Companies Act 2006.
- (3) The Committee may appoint an auditor to fill any casual vacancy occurring between general meetings of the Society.
- (4) The remuneration, including any sums in respect of expenses, to be paid to the auditor shall be fixed by the Committee or in such manner as the Society shall determine at a General Meeting.
- (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 regulatory authorities. A resolution at an Annual General Meeting or a Special General Meeting of the Society:
 - (i) removing an auditor before the expiration of his term of office, or
 - (ii) 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 meeting at which it is moved. On receipt of 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.

- (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 that notice to the regulatory authorities.
- (7) Where the Society receives from an auditor, on cessation of his office, a statement of any circumstances which he considers should be brought to the attention of the members and creditors of the Society, the Secretary shall, unless on application the Court directs otherwise, send a copy of such statement to the members.
- (8) Where the auditor, with a notice referred to in paragraph (6) above, requisitions the convening of a Special General Meeting of the Society for the purpose of considering an explanation of the circumstances connected with his resignation, the Secretary shall within 21 days convene such a meeting for a day not more than 28 days after the date on which notice of the meeting is given and the Society will, unless on application the Court directs otherwise, comply with the requirements set out in paragraph 13 of Schedule 14 to the 1992 Act.

34. ACTUARY AND VALUATIONS

- (1) The Society shall have an appointed actuary and a with-profits actuary who shall be appointed and whose appointment may be terminated by the Committee. The Committee shall notify the regulatory authorities of all appointments and changes.
- (2) The Committee shall arrange for the actuary to conduct an investigation and report accordingly into the financial condition of the Society in respect of its long-term business, in accordance with the 1992 Act.
- (3) The Society shall keep adequate records to enable the actuary to conduct such an investigation.

35. APPLICATION OF FUNDS

- (1) All monies received on account of contributions in accordance with any tables set out in these Rules, or on account of donations or otherwise, shall be applied in carrying out the purposes of the Society in accordance with the Rules.
- (2) Both monies received and interest on investments, shall be credited to the appropriate funds.

36. INVESTMENT OF FUNDS

So much of the funds of the Society, as may not be wanted either for immediate use, or to meet the usual accruing liabilities, shall with the consent of the Committee or a majority of the members of the Society present and entitled to vote in general meeting and, where appropriate, with the approval of the actuary, be invested by the Trustees in any of the following ways, namely: In the purchase of land, or in the erection or alteration of offices or other buildings thereon, or in any investment in which Trustees are for the time being by law authorised to invest trust funds.

37. HOLDING OF LAND

The Society may acquire and hold for the purpose of carrying on any of its activities in the names of its Trustees and may dispose of, or otherwise deal with, any land so held; and

- (a) No person shall be bound to enquire as to the authority of the Trustees to dispose of or deal with land;
- (b) the receipt of the Trustees shall be a discharge for all sums of money arising from, or in connection with, the disposal of or other dealing with land.

38. DISPUTES

- (1) If any dispute shall arise between a member or person claiming through a member or under the Rules, or any person aggrieved who has ceased to be a member, or any person claiming through such person aggrieved, and the Society, or any officer of the Society, it shall be decided by reference to arbitration, under the conditions set out at subsection (2) of this Rule or, where both parties to the dispute so consent, by reference to the County Court.
- (2) Five arbitrators shall be elected at a general meeting, none of them being directly or indirectly interested in the funds of the Society, and any vacancy or vacancies shall be filled at a General Meeting. The complaining party to a dispute, or someone appointed by him, shall draw three names out of the five by lot and the three arbitrators whose names are first drawn shall decide the dispute.
- (3) In default of determination under subsection (2) above 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.
- (4) In this Rule the expression "dispute" includes any dispute arising on the question whether a member or person aggrieved is entitled to be or to continue to be a member or 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 previous relation as a member to the Society, and
 - (b) a dispute which has arisen as a result of and incidentally to a dispute between a member, or person aggrieved who has ceased to be a member and a person claiming through him or under the Rules of the Society.

39. VOLUNTARY DISSOLUTION

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

40. DISTRIBUTION OF SURPLUS ASSETS ON DISSOLUTION

Upon the dissolution of the Society 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 the special resolution was approved so that the amount of remaining surplus which each member receives, will be the same proportion thereof as that member's financial interest in the Society, as certified by the actuary, bears to the Society's total assets. In this rule the term 'members' excludes those who are members wholly as a result of holding a financial interest in the Society's (Unit) Linked Long Term business and any such holdings, irrespective of whether the member holds another financial interest in the Society, will be disregarded for the purpose of distributing any surplus.

41. TRUSTEES

- (1) All deeds, documents of title and securities for money shall be held by the Trustees, who shall take such measures for the safe custody and preservation thereof at the expense of the Society as they may think fit, and they shall be responsible for the safe custody of all such deeds, documents and securities as are placed in their hands or under their control, and shall produce them for inspection by the auditors when required by them, and whenever else required by a resolution of a General Meeting or of the Committee.

- (2) The Trustees shall be the persons to sue and be sued on behalf of the Society.
- (3) If any Trustee, being removed from his office, refuses or neglects to assign or transfer any property of the Society as a General Meeting may direct, such Trustee shall (if he be a member) be expelled, and cease to have any claim on the Society without prejudice to any liability to prosecution.

42. NOTICES

All summonses and notices shall be deemed to have been duly served if addressed to the member or person for whom they are intended at his last known address and delivered at or sent by post to that address.

43. COPIES OF RULES

The Secretary shall on request give a copy of these Rules:

- (i) free of charge, to any member of the Society to whom a copy of these documents has not previously been given; and
- (ii) to any other person on payment of a reasonable fee.

44. AMENDMENT OF RULES

- (1) Subject to the provisions of clauses (2), (3) and (4) to this rule, no new rule shall be made nor shall any of the rules herein contained or hereafter to be made, be amended or rescinded unless with the consent of the majority of the votes of the members present at a General Meeting of which notice has been given specifying the intention to propose such new rule or amendment.
- (2) Copies of any amendment to the Society's Rules shall be sent to the regulatory authorities for registration.
- (3) No amendment of the Society's Rules shall take effect until it is registered.
- (4) The Society may change its Registered Office by the Committee passing a resolution designating an alternative address. Notice of the change shall be sent to the regulatory authorities in the directed form.

45. 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.

46. LODGES

The Society shall have Lodges herein termed "Lodges" which are not branches within the meaning of the Acts. The Lodges shall be conducted in such manner as is provided by the Committee.

47. FINANCIAL SERVICES COMPENSATION SCHEME

The Financial Services Compensation Scheme (FSCS) has been set up under the Financial Services and Markets Act 2000 to provide recompense for members of authorised investment firms that have gone out of business. The Society subscribes to this scheme and may continue to subscribe to any subsequent arrangement approved by legislation, and will

- (1) bind the assets of the Society to pay out of such fund or funds of the Society as the Committee of Management shall determine any sums required by the rules of the scheme.
- (2) comply with any other duties or obligations required under such a scheme.

48. INTERPRETATION

In these Rules, unless the contrary intention appears:

- (1) Words denoting the masculine gender shall be deemed to include the feminine;
- (2) Words in the singular shall include the plural and words in the plural shall include the singular;
- (3) "The 1974 Act" means the Friendly Societies Act 1974;
- (4) "The 1992 Act" means The Friendly Societies Act 1992;
- (5) "The Act" means the 1974 Act and/or the 1992 Act, as the context shall admit;
- (6) "appointed actuary" has the meaning given by s. 119 of the 1992 Act;
- (7) "with-profits actuary" has the meaning given within the regulatory handbook.
- (8) "regulatory authorities" means the Financial Services Authority and its successors.
- (9) "Special resolution" has the meaning given by paragraph 7 of schedule 12 to the 1992 Act;
- (10) "The Principal Office" means the Society's registered office.
- (11) "The Tables" means the Tables of Insurance for the Society's business as certified by the Society's actuary.

The Society intends the above Rules to take effect on the 5th September 2012.