

**MEMORANDUM AND RULES OF**

**OF**

**EXETER FRIENDLY SOCIETY LIMITED**

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Registered and incorporated under the Friendly Societies Act 1992  
on 21 April 1994 with registration number 91F



## CONTENTS

Page

### **MEMORANDUM OF EXETER FRIENDLY SOCIETY LIMITED**

1.	Name .....	1
2.	Registered Office.....	2
3. - 6.	Purposes and Powers .....	2
7.	Limitation of Liability .....	3
8.	Interpretation .....	3
	<b>Registration of Memorandum .....</b>	<b>3</b>

### **RULES OF EXETER FRIENDLY SOCIETY LIMITED**

#### **Membership**

1.	Members .....	5
2.	Termination .....	6
3.	Society Policies .....	7
4.	Instruments of Transfer .....	8
5.	Register of Members .....	8

#### **Management and Administration**

6.	The Board of Directors.....	9
7.	Sub-Committee and Delegation .....	12
8.	Eligibility and Election of Directors .....	13
9.	Appointment of Chair.....	15
10.	Remuneration and Expenses of Officers .....	16
11.	Validity of Acts .....	16
12.	Employment, etc. of Directors .....	17
13.	Conflicts of Interest .....	17
14.	Appointment of Officers, Employees and Others .....	18
15.	Indemnity to Directors, Officers and Employees .....	19
16.	Vacation of Office and Disqualification.....	20
17.	Filling of Casual Vacancies and Additional Members .....	22
18.	Election of Directors .....	22
19.	Pension and Other Schemes and Funds .....	23
20.	Donations.....	24

21.	Promotion of other business.....	24
<b>Meetings and Resolutions</b>		
22.	Annual General Meetings .....	25
23.	Special General Meetings .....	26
24.	Notice of meetings.....	27
25.	Quorum at General Meetings .....	31
26.	Proceedings at General Meetings.....	31
27.	Entitlement of Members to Vote on Resolutions .....	34
28.	Appointment of Proxies .....	36
<b>Accounts and Audit</b>		
29.	Accounts and Systems of Control.....	37
30.	Inspection of Records.....	37
31.	Auditors .....	38
32.	Actuaries .....	38
33.	Application of Funds .....	38
34.	Re-insurance .....	38
35.	Investment of Funds .....	38
<b>Disputes and Complaints</b>		
36.	Complaints Procedure .....	39
37.	Arbitration .....	39
<b>Dissolution and Winding-up</b>		
38.	Voluntary Dissolution .....	40
39.	Distribution of Surplus Assets on Winding-up or Dissolution .....	40
<b>General Issues</b>		
40.	Common Seal .....	40
41.	Notices .....	41
42.	Copies of Memorandum and Rules .....	41
43.	Alteration to Memorandum and Rules .....	41
44.	Interpretation .....	42
45.	Applicable Law .....	46
<b>Registration of Rules .....</b>		<b>47</b>

# MEMORANDUM

of

## EXETER FRIENDLY SOCIETY LIMITED

(reprinted incorporating amendments made on or before 31 March 2008)

**Register No. 91F**

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### **Name**

1. The Society's name is "Exeter Friendly Society Limited".

### **Registered Office**

2. The Society's registered office shall be in England and Wales at Lakeside House, Emperor Way, Exeter, Devon, EX1 3FD.

### **Purposes and Powers**

3. The Society's purposes are:
  - 3.1. (subject to the restrictions on combinations of businesses set out in the Statutes) to carry on any business or activity referred to in Schedule 2 to the Friendly Societies Act 1992 with a view to providing insurance or other benefits to its members and such persons connected with its members as the Rules permit, such insurance, business or activity to be funded by voluntary subscriptions from members with or without donations;
  - 3.2. to form subsidiaries and, with others, bodies corporate jointly controlled by the Society and otherwise acquire or keep control or joint control of bodies corporate, as permitted

by the Statutes;

- 3.3. to carry on any other business or activity which is from time to time within the permitted capacity of incorporated friendly societies under the Statutes, both within and outside the United Kingdom.
4. The Society shall have all such powers as are from time to time available for adoption by or granted to incorporated friendly societies in accordance with the Statutes including all those which are incidental or conducive to carrying out its purposes.
5. The widest interpretation shall be given to the purposes and powers set out or referred to in this Memorandum and none of the purposes or powers will be limited or restricted in any way, except as expressly stated or as required by the Statutes.
6. None of the clauses, sub-clauses, powers or purposes set out or referred to in clauses 3 and 4 is subsidiary or ancillary to any other, unless expressly so stated.

### **Limitation of Liability**

7. 7.1. The liability of any member of the Society is limited to the amount of any subscription to the Society which is outstanding.
- 7.2. No subscription of a member of the Society is recoverable at law from the Society except on its winding-up.

### **Interpretation**

8. In this Memorandum:

- 8.1. "the Rules" means the Rules of the Society registered pursuant to the Statutes as amended varied or replaced from time to time;
- 8.2. "the Society" means the Exeter Friendly Society Limited;
- 8.3. "the Statutes" means the Friendly Societies Act 1992 or other Acts or statutory provisions or provisions of statutory instruments from time to time in force relating to friendly societies and any reference in this Memorandum to the provision of any particular Statute shall be construed as if this Memorandum were an enactment to which Section 17(2) of the Incorporation Act 1978 applied;
- 8.4. expressions defined in the Statutes shall, where the context permits, have the same meaning in this Memorandum;
- 8.5. any words importing the masculine include all other genders and any words importing the singular include the plural and *vice versa*.

## **REGISTRATION OF MEMORANDUM**

The Memorandum of the Society submitted with the application to alter the same dated 28 February 2008 was registered on 31 March 2008 to take effect on 31 March 2008.

Mutual Societies Registration

Financial Services Authority

31 March 2008





**RULES**  
**OF**  
**EXETER FRIENDLY SOCIETY LIMITED**

ALL PREVIOUS RULES RESCINDED

THE FRIENDLY SOCIETIES ACT 1992

NEW RULES OF EXETER FRIENDLY SOCIETY LIMITED

Register No. 91F

**MEMBERSHIP**

**1. Members**

- 1.1. The Members of the Society shall be those individuals
  - (a) who are the holders of a Society Policy;
  - (b) who are the holders of a Subsidiary Policy and who have agreed to become Members and paid a membership fee determined by the Board (if any).
- 1.2. A Member who is between the ages of 16 and 18 may execute all instruments and give all receipts necessary under these Rules or in connection with a Society Policy. However, he or she may not vote or hold any office in the Society, and may not nominate, or join in nominating, a person for election as a Director.
- 1.3. The duration of membership of any Member shall be as set out in the terms of the Society Policy or Subsidiary Policy to which the Member has subscribed.
- 1.4. Members may terminate their membership of the Society in accordance with the relevant Society Policy or Subsidiary Policy.

- 1.5. Before a person is admitted as a Member, he or she shall complete such application forms and provide such information as the Society may require.
- 1.6. The Board may in its absolute discretion (or as limited by the relevant Society Policy or Subsidiary Policy) and without giving a reason refuse an application for membership, for renewal of membership or for transfer between Society Policies or offer to renew a membership.
- 1.7. Unless the relevant Society Policy or Subsidiary Policy makes specific provision to the contrary or unless the Board in its absolute discretion so determines, no Member in arrears with his or her subscriptions shall receive any benefits from the Society and every Member whose contributions are three months or more in arrears shall be considered to have cancelled their Society Policy or Subsidiary Policy and terminated their membership. All subscriptions to the funds of the Society or to any Controlled Body made under a Society Policy or Subsidiary Policy so cancelled shall be immediately forfeit and irrecoverable. The Board may, at its discretion, allow Membership to continue provided that the Member pays up all arrears.

## **2. Termination**

- 2.1. If in the opinion of the Board any Member:-
  - (a) shall have brought disgrace or disrepute on the Society;
  - (b) shall have attempted in any way to deceive or defraud or obtain a benefit from the Society by fraud or misrepresentation by any act or omission whether innocent or not, or shall be aware of any such attempt and not communicate the same in writing to the Society;
  - (c) shall have failed to act with the utmost good faith; or
  - (d) shall have acted or communicated (whether or not orally or in writing) in an abusive manner towards or with, or made any defamatory statement relating

to, any member of staff of the Society,

then the Board may in its absolute discretion terminate the membership of such Member immediately but the Member may by written notice to the Board require it to reconsider its decision, giving his or her reasons why membership should be re-instated, and the Board shall reconsider the matter and inform the Member whether or not his or her membership has been re-instated.

- 2.2. If a membership is terminated then the Society may in its absolute discretion forfeit or refund all or any part of any the Member's subscription unless there is specific provision in the relevant Society Policy to the contrary.

### **3. Society Policies**

- 3.1. The Society may issue a Society Policy Document to each Member indicating what Society Policy he or she holds, setting out, where relevant, the applicable Table and the number of Pioneer Shares held and, where relevant, any special conditions attached to the Society Policy. Members who have not been issued with a Society Policy Document in respect of any Society Policy held by them shall be insured under terms and conditions determined by the Board (including where appropriate those set out in the Pioneer Previous Rules) and notified in writing to the relevant Member (and to any other Member who requests them), provided that no such terms and conditions shall be incompatible with these Rules.
- 3.2. Each Society Policy shall specify the rules, the terms for payment of benefits and the procedure for claims under such Society Policy.
- 3.3. The Society may at any time create new Society Policies in accordance with the Memorandum and the Statutes upon such terms as the Board shall in its absolute discretion think fit.

- 3.4. Where there is specific provision in the relevant Society Policy the Board may in its absolute discretion:
- (a) vary any of its terms including the amount and terms of payment of subscriptions;
  - (b) withdraw or cancel a Society Policy; or
  - (c) cancel or withdraw a Member's membership and a Dependant's insurance under that Society Policy or allow it to lapse,
- and shall notify the relevant Members of any such change and shall explain why any such change was made.
- 3.5. The Board may offer special membership terms to any Member whether by way of discount or additional subscription or in any other way and the Board may accept an application for group membership in a form approved by the Board and upon such terms as the relevant Actuary may advise.
- 3.6. The Board may establish a separate fund out of which to make, in accordance with the Memorandum and the Statutes, discretionary grants to Members in addition to any benefits to which they may be entitled under the terms of a Society Policy or Subsidiary Policy.

#### **4. Instruments of Transfer**

The provisions of any Instrument of Transfer shall continue to have effect as regards any Society Policy to which they relate notwithstanding any contrary provisions of the Rules.

#### **5. Register of Members**

- 5.1. The Society shall maintain the register of names and registered addresses of Members.
- 5.2. The Society need not enter in the Register the address of a Member who became a Member before the incorporation of the Society (or before the incorporation of any

other society the engagements of which have been transferred to the Society) if it has no address for the Member and his or her whereabouts are unknown.

- 5.3. A Member must notify the Society of any change of address so that the new address may be entered in the Register.
- 5.4. Any notification required pursuant to Rule 5.3 or under the terms of any Society Policy shall be in writing, shall be given within 14 days and shall quote the number of the Society Policy held by the Member (if any).
- 5.5. The register shall be kept at the Society's registered office or at such other place as the Board thinks fit.
- 5.6. 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 until it has an address for him or her.

## **MANAGEMENT AND ADMINISTRATION**

### **6. The Board of Directors**

- 6.1. The business of the Society and any business that the Society proposes to carry on shall be under the direction of the Board consisting of not more than 12 nor (subject to Rule 6.11) less than 6 Directors and the Board may from time to time determine the number of people who together shall constitute the Board within these limits. The Board is the directing body of the Society and accordingly is the Society's committee of management for the purposes of the Act.
- 6.2. Subject to the provisions of the Act, the Memorandum and these Rules, the business of the Society shall be managed by the Board who may exercise all the powers of the Society and may do or refrain from doing anything if it considers that such act or

omission is in the interests of the Society.

- 6.3. No alteration of the Memorandum or Rules shall invalidate any prior act of the Board which would have been valid if that alteration had not been made.
- 6.4. Without prejudice to the generality of the foregoing paragraphs 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 Directors 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 Controlled Body 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 Board may deem necessary or expedient to be paid in the interests of the Society, but no Director (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.
- 6.5. The validity of any proceedings or acts of the Board shall not be affected by any vacancy among the Directors or by any defect in the appointment of a Director.
- 6.6. The Board shall cause minutes to be made of proceedings at all meetings of the Society, the Board and any Sub-Committee of the Board. Any such minutes of any meeting if signed by the person chairing that meeting or the next succeeding meeting shall be conclusive evidence without any further proof of the facts stated in those minutes.
- 6.7. The Board shall meet at least four times each year.
- 6.8. Five Directors may, and the Secretary at the request of five Directors shall, call a meeting ("a special meeting") of the Board. Two clear days notice in writing of any special meeting of the Board stating the business to be transacted at the meeting shall be sent to each Director, the Chief Executive and the Secretary. It shall not be necessary however to give notice of a special meeting to any person who is absent from the United Kingdom.
- 6.9. Questions arising at a meeting of the Board shall be decided by a majority of votes and each member of the Board present at that meeting shall have one vote. In the case of an equality of votes, the chair shall have a casting vote.
- 6.10. The quorum for the transaction of the business of the Board may be fixed by the Board at any number not less than four and unless so fixed shall be six Directors present in person or in communication with each other by telephone or by other means of communication by which each Director is able to hear fully, and participate in, the proceedings.
- 6.11. Notwithstanding any vacancies on the Board, the remaining Directors may continue to act. If at any time the number of Directors falls below the minimum of 6 prescribed by Rule 6.1, the Board so constituted, although its members may be insufficient to form a

quorum, may act by a majority of its members for a maximum period of 6 months. Thereafter, the Board so constituted, although its members are insufficient to form a quorum, may act by a majority of its members solely for the purpose of appointing individuals to fill the vacancies.

- 6.12. The Board or a Sub-Committee may act by resolutions passed at meetings duly convened and held or by resolutions in writing signed by all the Directors entitled to receive notice of a meeting of the Board or of a Sub-Committee, which shall be as valid and effectual as if they had been passed at a meeting of the Board or the Sub-Committee duly convened and held and may consist of several documents in the same form each signed by one or more Directors.
- 6.13. The proceedings of any meeting of the Board or any Sub-Committee shall be valid notwithstanding a failure to give or any defect in giving any notice of the meeting required by the Rules.
- 6.14. If at a meeting of the Directors or a Sub-Committee a question arises as to the right of a Director to vote, the question may, before the conclusion of the meeting, be referred to the chair of the meeting and the chair's ruling in relation to any Director other than himself or herself shall be final.

## **7. Sub-Committees and Delegation**

- 7.1. The Board may appoint Sub-Committees for the purpose of carrying out specific duties and delegate to them such powers as the Board shall determine for such purpose.
- 7.2. The number of Directors to be appointed to a Sub-Committee shall be not less than two and its quorum shall be determined by the Board and, subject to any conditions imposed by the Board, its proceedings shall be governed by the Rules regulating the proceedings of the Board so far as they are capable of applying.
- 7.3. The Board may also delegate any of its powers, duties, discretions and authorities



relating to the business of the Society to one or more Directors or to one or more officers or employees of the Society.

7.4. The Board may also enter into any agreement, arrangement or commitment with any person delegating, authorising, transferring, limiting or restricting, either generally or specifically, the exercise of any of the Board's powers, duties, discretions or authorities as are not required by the Statutes to be exercised by the Board.

7.5. The Board may retain their powers to deal with any matter which is delegated or may exclude them. Any delegation may be made subject to any conditions the Board may impose and may be revoked or altered at any time.

## **8. Eligibility and Election of Directors**

8.1. No individual shall be elected or appointed as a Director unless that individual:

- (a)
  - (i) if appointed under Rule 17, will be less than 70 years of age; or
  - (ii) if elected at a general meeting of the Society, is less than 70 years of age or, if aged 70 or over, has been approved by resolution of the Board as eligible for election, and his or her age and the reasons for the Board's approval of his or her eligibility have been notified to every person entitled to vote at the election);
- (b) is not a minor;
- (c) if a Member, is not in arrears with his or her subscriptions; and
- (d) (except in the case of appointment under Rule 17 or nomination under Rule 8.5, or where a Director retires under Rule 18), a form nominating him or her, signed by not less than 100 members who comply with the requirements of Rule 8.4, has been delivered at the Registered Office at any time within the last two months of the financial year preceding the Annual General Meeting at which the vacancy in respect of which he or she is nominated is to be

filled. The nomination form shall contain the full name, address, age and occupation of the person nominated, his or her consent to be nominated, and the full names and addresses of the Members proposing the 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 purpose of Rule 8.4.

- 8.2. A person need not be a Member to be elected or appointed to the Board.
- 8.3. In exercise of its duties pursuant to Rule 6.4(a) the Board may require any individual nominated for election as a Director to supply in writing such forms as the Board may specify, evidence as to their qualifications, financial and managerial experience, creditworthiness, competence and character and to complete in draft any form or questionnaire that, if elected, they would be required to submit to any regulatory authority in accordance with the Act.
- 8.4. The requirements with which a Member must comply in order to be eligible to nominate an individual as a Director are that the Member:
  - (a) must have been a Member for not less than one year before the date of nomination; and
  - (b) must not be in arrears with his or her subscriptions; and
  - (c) must not be a minor at that date.
- 8.5. If a vacancy arises on the Board after the last day of a financial year and before the conclusion of the Annual General Meeting held in the next financial year by reason of the death or disqualification of any retiring Director who was seeking re-selection the Board may without giving notice under Rule 24 nominate at the Annual General Meeting some other person who meets the criteria in Rule 8.1 to take the place of such retiring Director as a candidate for election and that person shall be deemed to be a retiring Director.

- 8.6. A person duly nominated for election as a Director, other than a retiring Director or a person nominated by the Board, shall deposit £250.00 with the Society not later than one week after the end of the financial year referred to in Rule 8.1(d), and if he or she fails to do so, shall not be eligible for election.
- 8.7. Within 14 days after the date of the election the Society shall return his or her deposit without interest:
- (a) to a person nominated for election as a Director who has been elected; and
  - (b) also to a person so nominated who has not been elected but only if that person secured:
    - (i) either not less than 5 per cent. of the total number of votes cast for all the candidates in the election; or
    - (ii) not less than 15 per cent. of the number of votes cast for the candidate who has been elected with the smallest number of votes,
- and any other deposit not returned by the Society shall be forfeit and retained by the Society.
- 8.8. Any person nominated for election as a Director may, by giving written notice to the Society to that effect, withdraw their name at any time before the vote on their election, in which case the deposit shall be returned to them.

## **9. Appointment of Chair**

- 9.1. The Board shall from time to time appoint a Director to act as Chair and may re-appoint to that office any Director who has previously acted as Chair including the member who was the Chair immediately prior to the passing of the relevant resolution of the Board. Any such appointment or re-appointment shall terminate if the relevant Director shall cease in the meantime to be a Director or shall resign the office or if the Board shall at any time resolve to remove him or her from office. The Chair shall preside at all meetings of the Board at which he or she is present.

9.2. If the Chair shall be absent from a meeting of the Board or shall decline to chair it, n, the Directors present at that meeting shall elect a Director to chair that meeting.

## **10. Remuneration and Expenses of Officers**

10.1. The Board shall delegate all decisions relating to the remuneration of executive Directors to a committee, to be called the Remuneration Committee. The Remuneration Committee shall consist wholly of non-executive Directors.

10.2. Subject to Rule 9.6(a), each Director shall be entitled to such remuneration as the Board may from time to time determine.

10.3. A Director may, in addition, be paid:

- (a) reasonable travelling, hotel and other expenses the Director may incur while attending the business of the Society as the Board may approve; and
- (b) reasonable expenses the Director may incur in obtaining independent legal advice in relation to the performance of his or her duties as a Director.

## **11. Validity of Acts**

All acts done by the Board, or a Sub-Committee, or by any person acting as a Director shall, even if it is later afterwards discovered that there was a defect in the appointment or election or re-election of any Director or that person or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed, elected or re-elected and was qualified and had continued to be a Director and had been entitled to vote.

## **12. Employment, etc. of Directors**

- 12.1. A Director may be employed or engaged by the Society, (but not as Auditor), and may, subject to Rule 10, be paid accordingly and may be appointed by the Board upon such terms as the Board thinks fit to an office with any body corporate in which the Society is or will be interested, but shall disclose any benefit which was derived from such office, employment or engagement to the Board.
- 12.2. A Director, despite his or her interest, may be counted in the quorum present at any meeting at which that Director, or any other Director, is employed or engaged by the Society or appointed to hold any office with any body corporate in which the Society is, or will be, interested or at which the terms of any such employment, engagement or appointment are arranged. A Director may vote on any such employment, engagement or appointment other than his or her own.

## **13. Conflicts of Interest**

- 13.1. Subject to a Director's complying with the provisions for the time being of the Statutes that:
- (a) require Directors to declare to the Board any direct or indirect interest they 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 Directors to furnish to the Society particulars of any related business,
- a Director 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 a Director be liable to account to the Society for any profit arising out of any such contract to which he or she is a party or in which he or she is interested by reason of being at the

same time a Director.

- 13.2. Subject to these Rules, no Director may vote as a Director in regard to any contract, or proposal for a contract in which that Director is interested, whether directly or indirectly, or upon any matter arising out of the contract or proposed contract. If a Director shall vote, the vote shall not be counted nor shall the Director be reckoned in estimating a quorum when any such contract, proposal or matter is under consideration.
- 13.3. In this Rule the term "contract" includes any transaction or arrangement. For the avoidance of doubt, the word "interest" in this Rule does not include any interest a Director may have as a director of a Controlled Body but does include any interest of a person who is "connected" with the Director for any purpose of the Statutes.
- 13.4. Despite the foregoing provisions of Rule 13, a Director may vote in regard to:-
  - (a) a resolution affecting the Members as a whole or the Members under a particular Society Policy even if the Director may also be a Member affected by that resolution; or
  - (b) a resolution as to the appointment of officers of the Society in accordance with Rule 12.

#### **14. Appointment of Officers, Employees and Others**

- 14.1. The Society must have:
  - (a) a Chief Executive; and
  - (b) a Secretary,appointed by the Board on such terms as it shall think fit and whose appointment may be terminated by the Board. The same person may be appointed as both Chief Executive and Secretary.
- 14.2. The Chief Executive may not hold the position of Chair.
- 14.3. The Chief Executive is responsible under the immediate authority of the Board for the

conduct of the business of the Society.

14.4. The Board may also:

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

14.5. The powers and duties of persons appointed under this Rule 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. If the office of Chief Executive or Secretary is vacant, or there is for any other reason no Secretary or Chief Executive capable of acting, the Board may authorise any other member of the staff of the Society to undertake any action or do anything to be done by the Secretary or Chief Executive.

## **15. Indemnity to Directors, Officers and Employees**

15.1. Every Director, the Chief Executive, the Secretary 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 or her duties, but not against any such liability as, by virtue of any rule of law or of the Act, would attach to him or her in respect of any negligence, default, breach of duty or breach of trust of which he or she might be guilty in relation to the Society. A Director shall, however, be indemnified against any liability incurred in defending any proceedings whatsoever, whether civil or criminal, arising out of his or her duties in relation to the Society in which judgment is given in his or her favour or in which he or she is acquitted.

15.2. The Society may take out a policy of insurance to cover any such indemnity or liability

as is mentioned in Rule 15.1.

## **16 Vacation of Office and Disqualification**

16.1. A Director shall cease to hold office:

- (a) if the Director resigns his or her office by notice in writing to the Secretary;
- (b) if the Director takes up a permanent residence outside the United Kingdom;
- (c) if the Director is requested in writing by all his or her co-Directors to resign and a resolution that the Director has vacated office is thereafter passed at a meeting of the Board by a majority of the Members of the full Board;
- (d) if for more than six consecutive months the Director is absent without permission of the Board from meetings of the Board held during that period and the Board passes a resolution that the Director has vacated office;
- (e) if the Director becomes bankrupt or is subject to sequestration or makes any arrangement or composition with his or her creditors generally;
- (f) if the Director is, or might be, suffering from mental disorder and either:
- (g) the Director is admitted to hospital in pursuance of an application for admission for treatment under the provisions of the Mental Health Act 1983, the Mental Health (Care and Treatment)(Scotland) Act 2003 or the provisions of legislation relating to mental health in any other applicable jurisdiction;
- (h) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for the Director's detention or for the appointment of a receiver, guardian or other person to exercise powers with respect to his or her property or affairs;
- (i) upon a resolution of which notice has been given under Rule 26 that the Director shall cease to be a Director passed by a majority of the votes cast on



a poll at a general meeting;

- (j) if, whilst a Director of the Society and without prior consent of the Board, the Director becomes engaged or concerned or interested directly or indirectly in any other organisation, company or body deemed by the Board to be in direct competition with the business of the Society (save as the holder for investment purposes only of any class of securities for the time being listed or dealt in on any stock exchange where the Director's interest does not exceed 5% of all the issued securities of that class); or
- (k) upon the conclusion of each Annual General Meeting unless he or she is re-elected at that meeting, the requirements of Rule 8.1(a)(ii) having been satisfied, if applicable;

- 16.2. if the Director becomes prohibited by law from being a Director;
- 16.3. if the Director contravenes Rule 13.1 by knowingly or recklessly failing to declare an interest and a resolution that he or she has vacated office is passed at a meeting of the Board by a majority of the members of the full Board;
- 16.4. if the Director is convicted of a criminal offence and the Board resolve that he or she should cease to hold office.
- 16.5. The Secretary shall give not less than 14 clear days' notice in writing to all Directors of a meeting of the Board at which it is intended to move a resolution that a Director 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. The provisions of Rule 41 shall be deemed to apply to any such notice.

## **17 Filling of Casual Vacancies and Additional Members**

- 17.1. The Board may appoint a person who is eligible to act as an additional Director or to fill a vacancy on the Board that does not fall to be filled at an Annual General Meeting.
- 17.2. The Board shall appoint under this Rule only an individual who:
- (a) appears to it to be fit and proper to be a Director, and
  - (b) is qualified under Rule 8.1, and
  - (c) is not a person who, having been nominated for election as a Director at any election held within the preceding 12 months, was not elected as a Director.
- 17.3. A Director appointed under Rule 17.1 shall hold office until the conclusion of the Annual General Meeting next following such appointment or, if earlier, the expiration of the period stipulated by the Board for the appointment.
- 17.4. A Director appointed under this rule and retiring under Rule 17.3 shall be eligible for election without nomination, subject to Rule 8.1(a), at the Annual General Meeting at which he or she retires.

## **18 Election of Directors**

- 18.1. No person shall be elected as a Director at any Annual General Meeting or Special General Meeting unless he or she is:-
- (a) a Director retiring under Rule 16.1(k); or
  - (b) nominated by the Board; or
  - (c) nominated in accordance with Rule 8.1(d)
- 18.2. The Society may by Ordinary Resolution appoint a person who is willing to act to be a Director either to fill a vacancy or as an additional Director.
- 18.3. If there is a contest for the office of Director in that the number of candidates for election or re-election to the Board (including Directors retiring under Rule 16.1(k) or Rule 17.3) exceeds the number of vacancies on the Board, 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 person chairing the meeting, and the following provisions shall apply:

- (a) the voting papers shall include the number of vacancies on the Board and the names of all the candidates;
- (b) subject to Rule 18.3(a), the Board may prescribe or approve the form of the voting papers and may include such other declarations and denoting of retiring Directors as it thinks fit;
- (c) 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.
- (d) a Member's 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 his or her votes.

18.4. If a retiring Director is not re-appointed at an Annual General Meeting then he or she shall retain office until the end of the meeting.

## **19. Pension and Other Schemes and Funds**

19.1. In this rule the term "Officers" excludes any Director who does not hold or has not held any executive position in the Society in addition to that of Director.

19.2. 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;
- (b) past and present Officers and employees of any society with which the Society may merge or amalgamate or whose engagements may be transferred

to the Society;

- (c) the spouses, civil partners, children and other dependants of any such Officers and employees.

19.3. The Board may make, vary and revoke the rules of any such fund or scheme and may constitute any trust and may from time to time in 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 made under the trust.

19.4. In addition the Board may grant on such terms as it thinks fit other pensions, allowances, gratuities, donations and bonuses to or for the benefit of those persons mentioned in Rule 19.2.

## **20. Donations**

The Society may grant donations to such persons or bodies as the Board may consider desirable and in the interests of the Society.

## **21. Promotion of other business**

The Board may, for the purpose of the better convenience or efficient administration of the Society and its business, and in the name and with the funds of the Society or otherwise, promote, support, participate in, activate, employ and use the services of any person or company, including any company incorporated or existing for the purposes of providing services for the Society.

## MEETINGS AND RESOLUTIONS

### 22. Annual General Meetings

- 22.1. The Society shall hold an Annual General Meeting in each financial year, at such hour, date and place as the Board shall determine.
- 22.2. Not more than 15 months shall elapse between the date of one Annual General Meeting and that of the next.
- 22.3. The Board 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 the Directors' Report.
- 22.4. The Society shall in accordance with its obligations under the Act make copies of the Annual Accounts and other relevant documents available free of charge to Members at every office of the Society and shall send copies free of charge to any Member who demands them.
- 22.5. The report of the Auditors on:-
- 13.5.1. the Annual Accounts laid before the Annual General Meeting; and
  - 13.5.2. the Directors' Report
- shall be laid before that meeting and shall be available for inspection by any member.
- 22.6. 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 Directors' Report submitted to the meeting;
  - (c) the report of the Auditors on those documents;
  - (d) the election and re-election of the Directors;
  - (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 26; and

- (g) business (including a motion for a resolution, whether a Special Resolution or an Ordinary, Resolution or a motion to add to, alter or rescind any of the Rules) brought before the meeting by the Board.

### **23. Special General Meetings**

- 23.1. All general meetings other than Annual General Meetings shall be called Special General Meetings.
- 23.2. The Board may, whenever it thinks fit, convene a Special General Meeting.
- 23.3. The Board shall also convene a Special General Meeting on the requisition of not less than 200 or, if a greater number, 5 per cent. of the members qualified under Rule 23.7. The requisition shall state the objects of the meeting (which must not however include the election of a Director) and shall be signed by the requisitioners, give full details of the requisitioners' names and addresses (as registered with the Society) shall be deposited at the Registered Office and may consist of several documents in the same form each signed by one or more requisitioners. A deposit of £20.00 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 deposits shall be appropriated either wholly or in part towards the expenses 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.
- 23.4. 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 23.3, proceed to give notice convening a meeting in accordance with Rule 24 to be held within 8 weeks after that date, the requisitioners or any proportion of them

exceeding one-half 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. The meeting 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 sent to those persons entitled under Rule 24.5. 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 Directors (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 meeting at the same time and in the same manner as notice is given of the meeting.

- 23.5. No business shall be entertained at any Special General Meeting except as shall be stated in the notice convening the meeting.
- 23.6. Except where the requisitioners themselves convene a Special General Meeting under Rule 25.4, Special General Meetings shall be held at such hour, date and place as the Board shall determine.
- 23.7. A Member shall be qualified for the purpose of Rule 23.3 if he or she:-
- (a) has been a Member (or has held and continues to hold a policy which has become a Society Policy) for a continuous period of not less than two years prior to the date of the requisition, and
  - (b). is a person entitled to vote at a General Meeting of the Society on the date of the requisition.

## **24. Notice of meetings**

- 24.1. At least 14 clear days' notice, expiring on the final date for the receipt of proxies under

Rule 31, in writing of every General Meeting specifying the hour, date and place of the meeting shall be given to all Members eligible to vote at the meeting. If the meeting is an Annual General Meeting at least 20 working days' notice shall be given.

24.2. The notice or advertisement shall specify:-

- (a) the nature of any resolution to be moved at the meeting and of the other business to be transacted at the meeting, and
- (b) the full name of each candidate for office as a Director, or Auditor, unless the nomination has been made or, in the case of an Auditor, his or her nomination has been received, too late for his or her candidature to be included in, or to accompany, the notice or advertisement.

24.3. The notice or advertisement 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 or her;
- (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.

24.4. The Annual General Meeting shall be described as such in the relevant notice of meeting.

24.5. Notices of General Meetings may be given by advertisement in at least one newspaper circulating in the area in which Members reside. But if the Board so determines the Society may send notice of a General Meeting to any Member whose registered address is outside the United Kingdom and/or to each Member whose registered address is within the United Kingdom instead of (or in addition to) giving them notice by advertisement. Alternatively, the Society may give notice of General Meetings to those Members who have agreed to receive communications in that manner by publishing the notice on a website provided that the requirements of the Act are complied with.

24.6. For the purposes of the following paragraphs of this rule the following expressions



shall have the following meanings:-

- (a) "Requisite Number" means 200 or, if a greater number, 5 per cent. of those Members qualified under Rule 23.7, 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.

24.7. If the Society receives a Members' Notice then, subject to Rules 24.8 and 24.9, the Board 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 a copy of any statement of not more than 100 words with respect to the matter referred to in the resolution or if notice is given by advertisement to notify Members that such a statement is available on request.

24.8. The Board shall be under no duty:-

- (a) to include a Member's Notice in the notice of the Annual General Meeting or
- (b) to send to Members such a statement as is mentioned in Rule 24.7(b) if:-
  - (i) the Members' Notice (or the last of the documents sufficient to enable it to comply with the requirements of Rule 24.6.(b)) and, if submitted, any statement given (of the kind mentioned in Rule 24.7(b)) 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;

- (ii) the resolution specified in the Members' Notice and, if lodged, any such statement does not in the Board's opinion relate directly to the affairs of the Society;
- (iii) in the Board's opinion the rights conferred by Rule 24.7 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 Rule 24.6(b)) is given to the Society.

24.9. A Member's Notice and any statement duly lodged with it shall be sent with the notice of the Annual General Meeting or advertised with that notice. But if that is not practicable for any reason, the Member's Notice and statement shall be sent or advertised as soon as practicable after the despatch of the notice of the meeting.

24.10. If not given by advertisement then a notice of a meeting shall be given by the Society by sending it to the Registered Address of the Member and in this Rule and in Rules 24.11, 24.12 and 24.13 the term "notice" includes any such notice given or statement lodged by members as is required to be sent by Rule 24.6(b).

24.11. If a Member has appointed an attorney to exercise his or her membership rights under a power of attorney which has been duly registered in the records at the Registered Office, notice may be given to the attorney by sending the notice to the registered address of the attorney and no notice need be given to the Member who gave the power.

- 24.12. If a Member is suffering from mental disorder, notice of a meeting may be given by the Society to his or her receiver, guardian or other person in that behalf appointed by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder. The notice may be sent to the address supplied for the purpose by the receiver, guardian or other person or, until such an address has been so supplied, by sending the notice to the registered address of the Member.
- 24.13. The accidental omission to send a notice of a meeting or to give sufficient 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.

## **25. Quorum at General Meetings**

- 25.1. 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 20 Members present or represented and entitled to vote.
- 25.2. 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 person chairing the meeting shall adjourn it to such hour, date and place as he or she shall direct, unless it is a Special General Meeting requisitioned under Rules 23.3 or 23.4 in which case the chair of the meeting may dissolve it if he or she decides so to do.

## **26. Proceedings at General Meetings**

- 26.1. The Chair of the Board (or, in their absence, some other Director nominated by the Board) will preside at every General Meeting of the Society. If there is no Chair or if neither the Chair nor such other Director (if any) is present within fifteen minutes after the time appointed for the meeting or if both the Chair and such other Director (if any)

are unwilling to act, the Directors present shall elect one of their number to chair the meeting and if there is only one Director present and willing to act, he or she shall be chair the meeting. If at any meeting no Director is willing to take the chair or if no Director is present within fifteen minutes after the time appointed for the meeting, the Members present and entitled under Rule 23 to be included in the quorum for the meeting shall choose one of their number who is present to chair the meeting.

- 26.2. The chair of the meeting may, with the consent of a meeting at which a quorum is present (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 Rule 26.10 no business shall be transacted at any adjourned meeting other than the business left unfinished or not reached at the meeting from which the adjournment took place.
- 26.3. 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.
- 26.4. 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.
- 26.5. A Director may attend and speak at any General Meeting even if not a Member, but may only vote if a Member.
- 26.6. Subject to the Act and these Rules, every question or resolution 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.
- 26.7. Before or on the declaration of the result of the show of hands, a poll may be demanded by:-

- (a) the chair of the meeting, or
- (b) 10 members who are entitled to vote at the meeting and are present in person, by proxy, by attorney or by representative,

and in the event of such a demand, a poll shall be taken in accordance with Rule 26.10.

- 26.8. Unless a poll is demanded, a declaration by the person chairing the 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 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.
- 26.9. The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the person chairing the chair, 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.
- 26.10. If a poll is duly demanded in accordance with Rule 26.7, it shall be taken at the meeting at which it is demanded or, if the person chairing the meeting so decides, at an adjourned meeting and in either case in such manner, subject to Rules 26.13 and 26.14, as the person chairing the meeting directs and the result of the poll, shall, notwithstanding Rule 26.3, be deemed to be the resolution of the meeting or adjourned meeting at which the poll was taken. The chair 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 or her for the purpose of declaring the result of the poll.
- 26.11. A poll demanded on the election of a person to chair the meeting or 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.

- 26.12. No notice needs to be given of a poll which is not taken at the meeting at which it is demanded if the time and place for the poll are announced at that meeting. In any other case at least 7 clear days' notice shall be given specifying the time and place for the poll.
- 26.13. Voting papers to be used on a poll shall be valid only if they are issued by the Society.
- 26.14. On a poll votes may be given either personally or by proxy.
- 26.15. The Board may from time to time determine any other rules for the conduct of General Meetings.

## **27. Entitlement of Members to Vote on Resolutions**

- 27.1. Every Member present in person, otherwise represented as permitted by this Rule 27 or voting by proxy (and, in each case, not disqualified by arrears or for any other reason) shall have one vote.
- 27.2. A Member shall not be entitled to vote if:
  - (a) he or she is in arrears with his or her subscriptions; or
  - (b) he or she is a minor.
- 27.3. A Member holding only one or more Society Policies comprised in the General Business Fund shall not be entitled to vote on matters relating solely to the administration or security of the Long Term Business Fund. A Member holding only one or more Society Policies comprised in the Long Term Business Fund shall not be entitled to vote on matters relating solely to the administration or security of the General Business Fund.
- 27.4. In the case of an equality of votes, whether on a show of hands or on a poll, the person chairing the meeting shall be entitled to a casting vote.
- 27.5. The holder of a power of attorney from a Member who is otherwise entitled to vote

under Rule 27.1 shall, if the power of attorney is duly registered at the Registered Office and if it authorises the holder to exercise the rights of the Member under the Rules, be entitled to vote in all circumstances as if he or she were a Member and in the Member's stead and to appoint a proxy or an attorney.

- 27.6. A Member who is otherwise entitled to vote under Rule 27.1 , 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 or her receiver, guardian or other representative in that behalf appointed by that court. Any such receiver, guardian or other representative may vote either on a show of hands or on a poll, and if on a poll may vote by proxy. 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 not less than 48 hours before the time appointed for holding the meeting or adjourned meeting, at which the right to vote is to be exercised, failing which the right to vote shall not be exercisable.
- 27.7. An objection to the qualification of any Member to vote may only be raised at the meeting or adjourned meeting at which his or her vote is tendered, and shall be referred to the person chairing the meeting, whose decision shall be final and conclusive. If not disallowed every vote shall be valid.
- 27.8. If on a show of hands, a poll any votes are counted which ought not to have been counted, or vice versa, the decision shall not be set aside unless the person chairing the meeting considers it to be of sufficient magnitude to justify the setting aside of the decision.

## **28. Appointment of Proxies**

- 28.1. A Member entitled to attend and vote at a meeting of the Society:-
- (a) may appoint one person (whether a Member or not) as a proxy to attend and, on a poll, to vote at the meeting instead of the Member, and
  - (b) may direct the proxy how to vote at the meeting.
- 28.2. Proxies may be appointed in writing by an instrument of proxy, delivered to the Society physically or by electronic means (including via a website) but the appointment must be received by the Society not later than 48 hours before the time appointed for holding the meeting, or adjourned meeting, failing which the appointment shall not be treated as valid.
- 28.3. An instrument appointing a proxy shall be in such form as the Board may approve.
- 28.4. The Society may add explanatory notes to any instrument of proxy issued by it to assist Members in completing and delivering the form.
- 28.5. 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, a proxy shall have no right to speak at the meeting.
- 28.6. 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 notice in writing of such death, mental disorder or revocation shall have been received by the Society at its Registered Office before the commencement of the meeting or adjourned meeting at which the proxy is used; or
  - (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.



## **ACCOUNTS AND AUDIT**

### **29. Accounts and Systems of Control**

- 29.1. The Board shall cause accounting records of the Society to be kept, and establish and maintain systems of control of its business and records and of inspection and report, in accordance with the Act.
- 29.2. The Board shall establish and maintain separate accounts in respect of the general business and the long term business of the Society.
- 29.3. The Society shall supply free of charge to every Member on demand copies of the Annual Accounts for the last financial year, the Directors' Report and any other reports for that year brought by the Board before an Annual General Meeting under Rule 22.6(g) and the Auditor's report on those accounts and reports, and it shall ensure that copies of such documents are also made available for inspection at every office of the Society and at the Annual General Meeting.

### **30. Inspection of Records**

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 and it shall be the duty of the Secretary to produce the same. But, unless he or she is an officer of the Society or is specially authorised by a resolution of the Society to do so, such Member or person shall not have access to personal information in respect of any other Member (other than information contained in the Register) or the right to inspect the loan account of any other Member without the written consent of that Member.

### **31. Auditors**

- 31.1. The Society shall have an Auditor who shall be appointed in accordance with the Act.

31.2. The remuneration, including any sums in respect of expenses, to be paid to the Auditor shall be fixed by the Board.

**32. Actuaries**

The Society shall appoint such appropriately qualified and experienced persons as are needed to maintain an effective actuarial function as required in rule 6.1 of the Conditions Governing Business in the PRA Rulebook.

**33. Application of Funds**

33.1. The Society shall maintain separate funds for its General Business Fund and its Long Term Business Fund.

33.2. All moneys received as premiums or contributions or otherwise under any Society Policy or as a donation shall be applied in carrying out the purposes of the Society in accordance with the Memorandum and these Rules.

33.3. All moneys received and all interest or other income from investments shall be credited to and transferred between the appropriate funds in accordance with the Statutes.

**34. Re-insurance**

The Society may, to such extent as may from time to time be approved by the relevant Actuary, effect re-insurance for any risks for which the Society provides insurance cover.

**35. Investment of Funds**

35.1. The Board may on behalf of the Society and, where appropriate, with the approval of the relevant Actuary or Actuaries, make any investment in any property of whatever nature both real and personal or any interest in such property as if the Society was a person with all the powers of a beneficial owner.

35.2. The Society may sell and reinvest any of its investments.

## **DISPUTES**

### **36. Complaints Procedure**

The Board shall establish an internal procedure for the resolution of complaints by Members or other Eligible Complainants and may from time to time revise or amend that procedure in accordance with the requirements of the Financial Conduct Authority's rules on dispute resolution.

### **37. Arbitration**

37.1. If a Member or Eligible Complainant is in dispute with the Society or an officer of the Society and has referred the matter in dispute to that procedure but it is not settled to his or her satisfaction, then the Member or Eligible Complainant may by written notice to that effect to the Society require the matter in dispute to be referred to the Financial Ombudsman Service or any replacement or other arbitration scheme from time to time adopted by the Board, or otherwise required by the Statutes.

37.2. In this Rule "Member" shall include:

- (a) a person claiming through a Member; and
- (b) a person who has ceased to be a Member or a person claiming through such a person, in relation to whether he or she may be re-instated as a Member or questions which arose when that person was a Member.

## **DISSOLUTION AND WINDING-UP**

### **38. Voluntary Dissolution**

The Society may at any time be dissolved by an instrument of dissolution approved by a Special Resolution.

### **39. Distribution of Surplus Assets on Winding-up or Dissolution**

39.1. Subject to Rules 39.2 and 39.3, upon the Society being dissolved by consent or upon its winding up, any surplus remaining after the payment in full of the Society's creditors shall be divided among the Members as at the date of commencement of the dissolution or winding up in accordance with the provisions of sections 19 to 24 of, and Schedule 10 to, the Act, and the amount of each Member's share of that surplus shall be in the same proportion as that Member's financial interest in the Society (as determined having regard to the advice of the relevant Actuary) bears to the Society's total assets.

39.2. The rights of the Members holding only Society Policies comprised in the General Business Fund shall not include any right to participate in any surplus in the Long Term Business Fund. The rights of the Members holding only Society Policies comprised in the Long Term Business Fund shall not include any right to participate in any surplus in the General Business Fund.

39.3. Members who hold only Subsidiary Policies at the date of the dissolution or winding-up of the Society shall have no entitlement to any share of the surplus under this Rule 39.

## **GENERAL ISSUES**

### **40. Common Seal**

40.1. The Common Seal of the Society shall bear the name of the Society in a circle enclosing, for a device, the Society's initials.

40.2. 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.

40.3. The Common Seal shall be kept at the 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.

40.4. The Common Seal shall not be used without the authority of the Board or of a duly authorised Sub-Committee and, when fixed 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.

#### **41. 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 or her Registered Address and delivered at or sent to that address.

#### **42. Copies of Memorandum and Rules**

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

- (a) free of charge, to any Member to whom a copy of these documents has not previously been given; and
- (b) to any other person on payment of such fee as the Board may determine not exceeding £1.00.

#### **43. Alteration to Memorandum and Rules**

43.1. An Ordinary Resolution passed at a General Meeting of which notice has been given specifying the intention to propose an alteration to the Memorandum or Rules may alter

them by adding, rescinding or varying any provision.

- 43.2. Any alteration of the Memorandum to include among its purposes and powers the carrying on of any activity concerning the control of subsidiaries and other bodies corporate such as is mentioned in section 13(1) of the Act, and any amendment of a provision in the Memorandum which permits it to do so, must be adopted by a Special Resolution.
- 43.3. The Board may from time to time resolve to change the registered office of the Society.

#### **44. Interpretation**

- 44.1. In these Rules, unless the contrary intention appears:

**"The Act"** means the Friendly Societies Act 1992.

**"Actuary"** means any person or persons appointed by the Board to perform the function described in rule 6.1 of Conditions Governing Business in the PRA Rulebook.

**"Annual Accounts"** means the documents (including the notes to them) which the Society is required (unless otherwise exempted) by the Act to prepare by way of accounts for itself and, if it has Controlled Bodies, by way of group accounts for itself and those Controlled Bodies.

**"Annual General Meeting"** means an annual general meeting of the Society.

**"Auditor"** means the auditor of the Society appointed under Rule 31.

**"Board"** means the Board of Directors elected, appointed or nominated from time to time in accordance with the Rules.

**"Chair"** means the person appointed under Rule 9.1 to be chairman of the board for the purposes of section 27(2) of the Act.

**"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.

**"Dependant"** means where they are accepted by the Society in writing as a dependant, any spouse or civil partner or child or stepchild of a Member or any child who at the relevant time is being treated by a Member as a child of his or her family.

**"Director"** means a member of the Board.

**"Directors' Report"** means the report by the Board on the business of the Society during the preceding financial year as required by the Act.

**"Eligible Complainant"** shall have the same meaning, in the context of the Society, as set out in the FCA Handbook.

**"FCA"** means the Financial Conduct Authority.

**"FCA Handbook"** means the rules and guidance made by the FCA from time to time.

**"General Business Fund"** means the fund maintained by the Society in respect of Society Policies other than those comprised in the Long Term Business Fund.

**"General Meeting"** means any Annual General Meeting or Special General Meeting.

**"Instrument of Transfer"** means an instrument of transfer under section 86 of the Act and includes a scheme under Part VII of the Financial Services and Markets Act 2000, each as amended from time to time, under which the engagements of another insurance undertaking have been transferred to the Society.

**"Long Term Business Fund"** means the fund maintained by the Society in respect of its long term business including in respect of Society Policies issued by Pioneer as renewed from time to time.

**"Member"** or **"Members"** means a member or the members from time to time of the Society.

**"Memorandum"** means the memorandum of the Society as from time to time altered.

**"Ordinary Resolution"** means a resolution of the Members of the Society passed by a simple majority of those entitled to vote and voting (whether in person or by proxy) at any General Meeting

**"Pioneer"** means the former Pioneer Friendly Society Limited, Register No 747F.

**"Pioneer Previous Rules"** means the rules of Pioneer in force as at 21 November 2006.

**"Pioneer Share"** means a unit by reference to which Members holding certain Society Policies in a form previously issued by Pioneer may elect to pay contributions and are entitled to benefits in accordance with a Society Policy Document.

**"PRA"** means the Prudential Regulation Authority.

**"PRA Rulebook"** means the rules and guidance made by the PRA from time to time.

**"Register"** means the register of Members.

**"Registered Address"** in relation to any Member means the address notified in writing to the Society of a Member from time to time.

**"Registered Office"** means the registered office of the Society from time to time.

**"Rules"** means these rules and all alterations made to these Rules from time to time.

**"Society"** means Exeter Friendly Society Limited.



**"Society Policy"** means a membership plan or other policy of insurance between the Society and a Member or a person connected with a Member or forming part of any group insurance business carried out by the Society under section 11 of the Act.

**"Society Policy Document"** means any document issued by the Society (or by any other friendly society or other insurance undertaking the engagements of which have been transferred to the Society) from time to time setting out the Tables and/or the terms and conditions of any Society Policies and includes the Pioneer Previous Rules.

**"Special General Meeting"** means a general meeting other than an Annual General Meeting of Members held by the Society.

**"Special Notice"** means 28 clear days' notice.

**"Special Resolution"** means a resolution passed by not less than three quarters of the number of Members entitled to vote on it and voting in person or by proxy on a poll at a meeting of the Society.

**"Statutes"** means the Act or other Acts of Parliament or statutory provisions or provisions of statutory instruments from time to time in force relating to friendly societies or, where applicable, to bodies carrying out insurance and other business similar to that carried out by the Society and shall include, for the avoidance of doubt, the FCA Handbook and the PRA Rulebook.

**"Sub-Committee"** means any duly authorised sub-committee of the Board.

**"Subsidiary Policy"** means a policy of insurance or other financial services product issued by a Controlled Body (whether before or after it became a Controlled Body) which the Board has designated as conferring on the holder a right to apply to become a Member.

**"Tables"** means the tables of contribution and benefits which may be set out

in a Society Policy Document.

- 44.2 Except where indicated to the contrary in these Rules, words and expressions defined or used in the Act shall have the same meaning.
- 44.3 Any reference in the Rules to the provisions of any particular Statute shall include any statutory extension or modification, amendment or re-enactment of such Statute and any regulations, statutory instruments or orders made under such Statute.
- 44.4 Words in the singular shall include the plural and words in the plural shall include the singular.
- 44.5 References to persons shall include bodies corporate and vice versa.
- 44.6 References to an "address" include both a postal address and an electronic address which a Member has notified to the Society for receiving notices and other documents.
- 44.7 "In writing" and each one of the following expressions: "written notice", "give notice", "notified", "notice", "send", "supply" and/or "give a copy" means: (1) in written form delivered by post to an address provided by the recipient for that purpose; or (2) by electronic means to an address provided by the recipient for that purpose; or (3) delivered in person; or (4) communicated by means of a website.

#### **45. Applicable Law**

- 45.1. 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.

## **REGISTRATION OF RULES**

The rules of the Society submitted with the application to alter the same dated 26 May 2016 were registered on 13 June 2016 to take effect on 1 July 2016.

Mutual Societies Registration

Financial Conduct Authority

13 June 2016