

MEMORANDUM AND RULES

MEMORANDUM OF CIRENCESTER FRIENDLY SOCIETY LIMITED

1. NAME

The Society is an incorporated Friendly Society. It is called “CIRENCESTER FRIENDLY SOCIETY LIMITED”, and is hereinafter referred to as “the Society”.

2. REGISTERED OFFICE

The registered office of the Society is to be situated in England or Wales. The address of the registered office is Mutuality House, The Mallards, South Cerney, Cirencester, Glos. GL7 5TQ.

3. PURPOSES

3.1 The purposes of the Society shall be the carrying on of any of the following classes of business or other activity:

- (a) long-term insurance business of all or any of the classes falling within Head A of Schedule 2 to the Act;
- (b) general insurance business of all or any of the classes falling within Head B of Schedule 2 to the Act;
- (c) business falling within Head C of Schedule 2 to the Act; and
- (d) activities falling within Head D of Schedule 2 to the Act, subject always to any restrictions to combinations of insurance business contained in the Legislation.

3.2 Any business or activity referred to in clause 3.1:

- (a) is to be carried on by the Society with a view to the provision of insurance and other benefits for its Members and such persons connected with its Members as may be prescribed in the Society's Rules; and
- (b) is to be funded by voluntary subscriptions from Members of the Society, with or without donations.

3.3 In addition, 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; and
- (c) reinsurance of risks for any registered or incorporated friendly society.

3.4 The Society may form subsidiaries, take part with others in forming bodies corporate to be jointly controlled by it and otherwise acquire, or keep, control or joint control of bodies corporate.

3.5 Any of the purposes of the Society may be carried on by the Society within or outside the United Kingdom.

4. POWERS

4.1 The Society may invest its funds in accordance with its Rules.

4.2 The Society may carry on any activity falling within Schedule 5 of the Act.

4.3 Without prejudice to the power of the Society to invest its funds in property, the Society may acquire and hold land (for purposes other than investment):

- (a) for the purpose of carrying on any of its activities; or
- (b) for the purpose of enabling a Subsidiary of the Society, or a body jointly controlled by it, to conduct its business, and may dispose of, or otherwise deal with, any land so held by it.

- 4.4 The Society may borrow money with or without security and on such terms as to interest repayment and otherwise as the Board of Directors thinks fit to fulfil the purposes, and carry on the activities, of the Society (or any of its subsidiaries).
- 4.5 The Society may provide its subsidiaries or jointly controlled bodies with any of the following services:
- (a) loans of money, with or without security and whether or not at interest;
 - (b) the use of services or property, whether or not for payment;
 - (c) grants of money, whether or not repayable; and
 - (d) guarantees of the discharge of their liabilities.
- 4.6 The Society shall, subject to the Act, its Memorandum and its Rules, have any other power which is incidental or conducive to the carrying out of its purposes and/or for doing anything which falls within Schedule 5 of the Act.

5. LIMITATION OF LIABILITY OF MEMBERS

- 5.1 The liability of a Member of the Society is limited to the amount of any subscription owed to the Society which is outstanding.
- 5.2 No subscription of a Member of the Society shall be recoverable at law except on the winding up of the Society.

6. DEFINITIONS AND INTERPRETATION

- 6.1 In this Memorandum the following words and expressions shall have the following meanings:

“Act” the Friendly Societies Act 1992;

“Appropriate Regulator” the Prudential Regulation Authority and/or The Financial Conduct Authority as appropriate or such other authority as may replace the same from time to time or shall from time to time carry out such functions in relation to friendly societies as are at the date of registration of this Memorandum allocated to the Prudential Regulation Authority and/or the Financial Conduct Authority;

“Board of Directors” the committee of management of the Society;

“Legislation” the Friendly Societies Act 1992 (“the Act”), the Financial Services and Markets Act 2000 (“FSMA 2000”), the Appropriate Regulator Handbooks and any other Act or Acts, statutory instruments or statutory provisions or regulation from time to time in force relating to incorporated friendly societies (with its registered office in England and Wales) carrying on the business and other activities carried on by the Society;

- 6.2 Expressions defined in the Act, where used in this Memorandum, have the same meaning as they have in the Act, unless otherwise defined in this Memorandum.
- 6.3 Unless the context otherwise requires:
- (a) words in the singular shall include the plural and in the plural shall include the singular; and
 - (b) a reference to one gender shall include a reference to the other gender.
- 6.4 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time and shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 6.5 Headings used in this Memorandum shall not affect the interpretation of this Memorandum..

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1. MEMBERSHIP

- 1.1 Membership** In these Rules, a Member is a person who:
- a. has applied to the Society for benefit or assurance in the Prescribed Form and whose application has been accepted; and
 - b. has an interest, whether actual or contingent, in the funds of the Society.
- 1.2** The Society may require further information about an applicant as it sees fit. Acceptance of an application shall be at the Society's total discretion.
- 1.3** Each Member and all persons claiming through a Member or on their account shall be bound by the Rules from time to time in force during the period of the person's Membership.
- 1.4** Membership shall commence from the date specified on the Contract Document evidencing the terms of the benefit or assurance.
- 1.5** Notwithstanding the provisions of Rule 1.1, the Board of Directors may admit as a Member a trustee of a trust which subscribes for benefits from the Society for its beneficiaries.
- 1.6** Each Member shall notify the Society of any change of name or address or electronic address of the Member within such reasonable time scales as may apply from time to time and shall produce such written evidence of the same as the Society may require.
- 1.7** Each Member shall supply a specimen of their signature if required by the Society.
- 1.8** A Member who is under 18 years of age may, if they are aged 16 or over, by themselves, or if they are under 16, by their parent, guardian or legal representative, execute all instruments and give all receipts necessary under the Rules, but may not vote or hold any office in the Society, and may not nominate, or join in nominating, a person for election to the Board of Directors or as Secretary.
- 1.9** The parent, guardian or legal representative will cease to be able to execute instruments or give receipts on behalf of a Member after they become 16. However, after a Member becomes 16 the Society will continue to correspond with the parent, guardian or legal representative until they or the Member notifies the Society otherwise.
- 1.10** A Member shall notify the Society without delay of any claim or right of action against any party arising out of any circumstances which give rise to a claim on the Society by the Member. The Member shall take at their own cost all steps which the Society may reasonably require in relation to any such claim or right of action against a third party. If the Member recovers any sums from a third party in relation to such a claim or right of action the Member shall reimburse the Society to the extent of the amount recovered or any payment, sum of money or benefit paid by the Society to the Member.
- 1.11** A person shall cease to be a Member of the Society when they cease to have an interest, whether actual or contingent, in the funds of the Society.
- 1.12** A person who satisfies the provisions of Rule 1.1(b) but not Rule 1.1(a), may nevertheless apply to the Board of Directors to be admitted as a Member of the Society. The Board of Directors may in its absolute discretion refuse or accept such application, any acceptance to be on such terms as the Board of Directors shall decide.
- 1.13** The decision of the Board of Directors on any question of whether a person is, or is entitled to be, a Member shall be conclusive for all purposes.

2. REGISTER OF NAMES AND ADDRESSES OF MEMBERS

- 2.1 The Society shall maintain a register (which may be an electronic register) of the names and addresses (including, where the Member has agreed, electronic addresses) of the Members of the Society.
- 2.2 The register shall be kept at the Registered Office or at such other place or places as the Board of Directors thinks fit.
- 2.3 The Society need not enter in the register the address of a Member who became a Member before the incorporation of the Society while it has no address for them and their whereabouts are unknown.
- 2.4 Where it appears to the Society that the address (and where applicable any electronic 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 them or their whereabouts are unknown.
- 2.5 The names of all persons who either cease to be Members, or who cease to be entitled to be Members, shall be removed from the Register.

3. TERMINATION OF MEMBERSHIP

- 3.1 If a Member makes a claim on the Society's funds knowing it to be false or fraudulent, their entitlement to any benefit from the Society shall become void and all benefit shall be forfeited and the Member shall reimburse the Society for any amounts paid.
- 3.2 A person who is a Member shall automatically cease to be a Member:
 - a. if the Society receives notification that they have died; or
 - b. if for some other reason (including the rescission, cancellation, or surrender of their Contract, or the expiry of any periods of insurance for which their Contract extended) neither the Society nor the Member has any remaining rights under any of the Contracts by virtue of which they were a Member.
- 3.3 The Board of Directors may terminate a person's Membership of the Society by resolution of the Board of Directors if in its absolute discretion it considers that:
 - a. the Member is or has been in material breach of any of the Rules;
 - b. the person's continued Membership of the Society is or may be (in the opinion of the Board of Directors) detrimental or prejudicial to the interests of the Society or Members generally;
 - c. the Member is in arrears with their Premiums for such period as is specified for that purpose in the applicable Contract Documents;
 - d. the Member's Contract has been terminated in accordance with the applicable Contract Documents; or
 - e. The Member has provided any false information to the Society or withheld any relevant information from the Society which the Society considers material in relation to the Member's Contract. The Society reserves the right to use individual applicable contract document terms to support this ruling.
- 3.4 Upon a termination of a person's Membership under Rule 3.3, the person shall forfeit and repay such amount of benefit as the Board of Directors may at its sole discretion determine.
- 3.5 Nothing contained in Rules 3.3 and 3.4 shall prevent a person from referring the decision of the Board of Directors under those Rules to arbitration under Rule 25.

4. ARREARS

- 4.1 Any Member in arrears with Premiums shall be subject to the relevant provisions of the Schedules to these Rules.

5. NOMINATIONS

- 5.1 A Member who is 16 or over may nominate a person or persons to receive all or part of any sum payable by the Society on the Member's death in accordance with Schedule 9 to the Act.
- 5.2 All such nominations shall be made in writing by the Member and shall be delivered or sent to the Society.
- 5.3 A Member may not nominate an officer or employee of the Society unless that officer or employee is the husband, wife, civil partner, father, mother, child, brother, sister, nephew or niece of the nominator.
- 5.4 Subject to Rule 5.5, only the Member who made a nomination may revoke or vary it and must do so in writing delivered or sent to the Society. A nomination shall not be revoked by a subsequent will.
- 5.5 The marriage or entry into a civil partnership of a Member shall operate as an automatic revocation of any nomination previously made by them.
- 5.6 Nominations, revocations and variations shall be in the Prescribed Form.

6. BENEFITS PROVIDED BY THE SOCIETY

- 6.1 The benefits for which Members may currently subscribe and the terms and conditions relating there to shall be those which are contained or referred to in the Schedules to these Rules.
- 6.2 The Schedules to these Rules shall form part of the Rules and as such may be varied, rescinded or added to in the manner provided by the Rules. New Schedules may be added to the Rules, and existing Schedules may be deleted, in the manner provided in Rule 26.
- 6.3 Any of the risks against which persons are or are to be insured by the Society may be reinsured to such extent as may from time to time be approved by the Appropriate Actuary.
- 6.4 Unless the Society has issued a formal Contract Document in respect of any Contract taken out by a Member, the terms of such Contract shall be as set out in the Rules, subject always to any special terms applicable to the Contract notified to the Member from time to time.
- 6.5 The terms of the Contract and Schedule taken out by a Member (including the Premiums payable and the benefits to which the Member is entitled) shall be as set out in the relevant Contract Document and Schedule to these Rules.
- 6.6 The Society shall make a copy of the terms on which benefits are provided available to Members at any office of the Society, free of charge.
- 6.7 The distribution of surpluses and bonuses shall be determined by the Board of Directors on the advice of the Appropriate Actuary.

7. MANAGEMENT

- 7.1** The business of the Society shall be under the direction and management of the Board of Directors.
- 7.2** The Board of Directors shall consist of at least five or such higher number of Directors as the Board of Directors may from time to time determine. The quorum for a meeting shall be a majority of the total number of Directors present. Directors may be present in person or by telephone or by other electronic means, provided that it is possible for a Director not present in person to hear and to be heard by all the other Directors attending the meeting.
- 7.3** The Board of Directors may exercise all those powers of the Society as are not, by Legislation or by the Rules, required to be exercised by the Society in general meeting.
- 7.4** No Rule or alteration to a Rule made by the Society in general meeting shall invalidate any act of the Board of Directors prior to the date on which the Rule or alteration takes effect and which would have been valid if that Rule or alteration had not been made.
- 7.5** Without prejudice to the generality of Rules 7.1 - 7.4, the Board of Directors:
- 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, Rules, and Legislation;
 - b.** shall supervise the activities of any Subsidiary;
 - 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 provide for the management and transaction of the affairs of the Society in any specified locality in such manner as it thinks fit;
 - e.** may, subject to Rule 7.8 and 7.9, remunerate the Directors out of the funds of the Society and pay the reasonable expenses and any professional and other fees of the Directors;
 - f.** may pay out of the funds of the Society the expenses of the Society and such sums as the Board of Directors may deem necessary or expedient to be paid in the interests of the Society;
 - g.** may make, vary or revoke regulations for the conduct of the business of the Society, provided that the same are not inconsistent with the Rules, the Memorandum or the Legislation;
 - h.** may authorise the use of all Prescribed Forms, which it may consider necessary for the proper conduct of the business of the Society;
 - i.** may delegate any of its powers, duties, discretions and authorities relating to the business of the Society to:
 - i.** one or more Directors;
 - ii.** committees consisting of such Directors, other officers and/or employees as it thinks fit;
 - iii.** one or more officers or employees;
 - j.** any delegation pursuant to Rule 7.5 (i) may:
 - i.** be subject to any conditions the Board of Directors may impose; and

- ii. be revoked or altered at anytime, and may either give the committee exclusive powers within its terms of reference or may retain the right of the Board of Directors itself to continue to exercise its own powers within the terms of reference of the committee;
Subject to any such conditions, the proceedings of any such committee with two or more Directors shall be governed, as far as they are applicable, by the Rules and any regulations made by the Board of Directors regulating the proceedings of Board of Directors meetings;
 - k. may invest the funds of the Society in the manner authorised by the Memorandum, the Rules and/or under the Legislation;
 - l. may exercise the borrowing powers of the Society as the Board of Directors sees fit and in accordance with the Memorandum, the Rules and the Legislation;
 - m. may alter the Memorandum or the Rules including the Schedules to the Rules and may adopt any new Schedules or adopt any new Rule in or relating to any Schedule in accordance with Rule 26 but subject always to the ratification of such alterations under Rule 26.4;
 - n. may from time to time appoint, and change the appointment of, an actuary as Appropriate Actuary to perform the duties required by the Legislation and on such terms as the Board of Directors shall from time to time decide;
 - o. may take all steps and other actions required or authorised by the Legislation and all other necessary actions in order to provide for the reinsurance of any risks insured by the Society in accordance with s12(3) of the Act;
 - p. may take all steps and other actions required or authorised by the Legislation and all other necessary actions in order to amalgamate the Society with one or more other friendly societies in accordance with s85 of the Act (except to the extent that the steps and actions in question are only capable of being carried out at a general meeting of the Society); and
 - q. may take all steps and other actions required or authorised by the Legislation and all other necessary actions so as to take a transfer of the engagements of any other friendly society or body in accordance with s86 of the Act (except to the extent that the steps and actions in question are only capable of being carried out at a general meeting of the Society).
- 7.6** All acts done by the Board of Directors, or any committee, or any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the constitution of the Board of Directors or committee or in the election or re-election or appointment of any Member of the Board of Directors or committee 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 Board of Directors or 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 Director.
- 7.7** Subject always to the right of a Member or person to refer any dispute to arbitration under Rule 25 the decision of the Board of Directors on whether or not to make an ex-gratia payment or as to the amount of any forfeit shall be final and binding.
- 7.8** The Board of Directors may delegate all decisions relating to the remuneration of the Chair, the Chief Executive, any other Executive Director and the Secretary to a committee, to be called the remuneration committee. The remuneration committee shall consist of Non-executive Directors.
- 7.9** All decisions relating to the remuneration of Non-Executive Directors shall be delegated to the Chair and Chief Executive.

8. ELIGIBILITY AND ELECTION OF DIRECTORS

- 8.1** The Board of Directors shall establish a committee to deal with nominations. The principal purpose of the nomination committee shall be to advise the Board of Directors and make recommendations to Members on the appointment (or re-appointment) of Directors.
- 8.2** No person shall be elected or appointed as a Director unless:
- a.** they are 18 or over;
 - b.** they have, at least three Months before the date of the meeting at which their election is to be considered, complied with any requirements of the Board of Directors pursuant to Rule 8.6; and
 - c.** (except in the case of appointment under Rule 15 or nomination under Rule 8.5, or where a Director retires under Rule 16) a form nominating them signed by two Members of the Society who comply with the requirements of Rule 8.4 has been delivered to the Registered Office no later than 10th January in the year of the Annual General Meeting at which they are nominated to be elected.
- 8.3** The nomination form referred to in Rule 8.2(c), shall contain:
- a.** the full name, address, date of birth, and occupation of the person nominated and their consent to be nominated; and
 - b.** the full names and addresses of the Members proposing their nomination.
- 8.4** The requirements with which a Member must comply in order to be eligible to nominate a person as a Director are as follows:
- a.** they must have been a Member of the Society for not less than two years before the date of nomination; and they must not be a minor at that date.
- 8.5** If:
- a.** a vacancy arises on the Board of Directors after 1 January in the year of an Annual General Meeting but before the Annual General Meeting by reason of the death or disqualification of any retiring Director who was seeking re-election; and
 - b.** no nomination under Rule 8.2 was delivered to the Society or any such nomination has been withdrawn; The Board of Directors may without giving notice in accordance with Rule 20 nominate at the Annual General Meeting some other person who is at the date of that Meeting aged 18 or over to take the place of such retiring Director as a candidate for election, and such person shall be deemed to be a retiring Director.
- 8.6** The Board of Directors may require any individual nominated for election as a Director to supply in writing in such form as the Board of Directors may specify, evidence as to their qualifications, financial and managerial experience, creditworthiness, competence and character, to supply satisfactory references 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 Legislation.

9. APPOINTMENT OF CHAIR AND SENIOR INDEPENDENT DIRECTOR

- 9.1 At its first meeting after every Annual General Meeting the Board of Directors shall elect from its number a Chair and a Senior Independent Director who shall, subject to Rule 9.3, hold office until the start of the first meeting of the Board of Directors held after the next Annual General Meeting unless either ceases in the meantime to be a Director or resigns the office. The Chair shall preside at all meetings of the Board of Directors at which they are present and, in the absence of the Chair Rule 9.2 shall apply. In addition to chairing meetings of the Board of Directors the Chair and the Senior Independent Director shall **fulfil** the functions described for them in the Annotated Corporate Governance Code.
- 9.2 If the Chair is absent from a meeting of the Board of Directors, the Directors present at that meeting shall elect a Director to chair that meeting.
- 9.3 The Board of Directors may at any time remove the Chair or the Senior Independent Director from office.
- 9.4 The Secretary shall give not less than fourteen clear days' notice in writing to all Directors of a meeting of the Board of Directors at which it is intended to move a resolution to remove the Chair or the Senior Independent Director from office. The notice shall set out the proposed resolution and if all the requirements of this Rule are not complied with, the resolution, even if passed, shall be of no effect.
- 9.5 The Board of Directors shall fill from its number any casual vacancy (whether or not arising from its exercising its power under Rule 9.3) in the office of Chair or Senior Independent Director and a Chair or Senior Independent Director so elected shall, subject to Rule 9.3, hold office until the start of the first meeting of the Board of Directors held after the next Annual General Meeting unless they cease in the meantime to be a Director or resign from office.

10. OFFICES OF PROFIT

- 10.1 A Director may hold any office or place of profit with the Society (other than the office of auditor or Appropriate Actuary) simultaneously with their office of Director and may be appointed by the Board of Directors to an office or place of profit with any body corporate in which the Society is, or will be, interested, on such terms as may be agreed from time to time between the Board of Directors and the Director.
- 10.2 A Director so appointed to an office or place of profit with a body corporate in accordance with Rule 10.1 shall disclose any benefit which they derive from any such office or place to the Board of Directors in the Financial Year in which it is received.
- 10.3 A Director, notwithstanding their interest, but subject to their disclosure of it, may be counted in the quorum present at any meeting at which they, or any other Director, are 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, and they may vote on any such appointment or arrangement other than their own appointment or the arrangement of the terms thereof.

11. INTEREST IN CONTRACTS

- 11.1** Subject to a Director complying with the provisions for the time being of the Legislation that:
- a.** require them to declare to the Board of Directors any direct or indirect interests 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 them to furnish to the Society particulars of any related business, they 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 they be liable to account to the Society for any profit arising out of any such contract to which they are a party or in which they are interested by reason of their being at the same time a Director.
- 11.2** Except as provided in Rule 11.3, no Director may vote as a Director in regard to any contract, or proposal, in which they are interested, whether directly or indirectly, or upon any matter arising out of it. If they shall so vote, their vote shall not be counted. Nor shall any Director be counted in the quorum when any such contract, or proposal, is under consideration.
- 11.3** For the purposes of this Rule 11:
- a.** the term "contract" includes any transaction or arrangement;
 - b.** the term "interest" does not include any interest a Director may have as a Director, Member or officer of a Subsidiary or other associated body of the Society;
 - c.** no interest:
 - i.** in any Contract provided by the Society; or
 - ii.** in any other financial services or other product provided, or arranged, by the Society, or by any Subsidiary; shall be regarded as an interest so long as it is provided on substantially the same terms as would be available to Members generally and as recommended by the Appropriate Actuary; and
 - d.** an interest of which a Director has no knowledge and of which it is unreasonable to expect them to have knowledge shall not be treated as an interest of theirs.
- 11.4** Notwithstanding anything contained in this Rule 11 but subject always to the Legislation, the prohibition contained in Rule 11.2 may at any time be suspended or relaxed to any extent by resolution at a general meeting of the Society.

12. APPOINTMENT OF OFFICERS, EMPLOYEES AND OTHERS

- 12.1** The Society must have a Chief Executive and a Secretary who shall be appointed by the Board of Directors and whose appointment may be terminated by the Board of Directors.
- 12.2** The same person may be appointed as both the Chief Executive and the Secretary.
- 12.3** The Chief Executive shall be responsible under the immediate authority of the Board of Directors for the conduct of the business of the Society.
- 12.4** The Board of Directors shall take all reasonable steps to ensure that the person appointed as Chief Executive has the requisite knowledge and experience to discharge the functions of their office.

13. INDEMNITY TO DIRECTORS, SECRETARY AND EMPLOYEES

- 13.1** Every Director, the Secretary and every other officer and employee of the Society (whether current or former) shall be indemnified by the Society against any liability in respect of losses, costs, charges, damages and expenses which may arise from, or in the course of, their proper duties, but not against any such liability which, by virtue of any rule of law or of the Legislation, would attach to them in respect of any negligence, default, breach of duty or breach of trust of which they may be guilty in relation to the Society. They shall, however be indemnified against any liability incurred by them in defending any proceedings whatsoever, whether civil or criminal, arising out of their duties in relation to the Society in which judgement is given in their favour or in which they are acquitted.
- 13.2** The Society may take out a policy of insurance to cover any such indemnity or liability as is mentioned in Rule 13.1.

14. VACATION OF OFFICE AND DISQUALIFICATION

- 14.1** A Director shall cease to hold office:
- a.** if they resign their office by notice in writing to the Secretary;
 - b.** if they take up a permanent residence outside the United Kingdom;
 - c.** if a resolution is passed at a quorate meeting by the Directors present at that meeting that they have vacated office;
 - d.** if they become bankrupt or are subject to sequestration or compounds or make any arrangements with their creditors generally;
 - e.** if they are, or may be, suffering from mental disorder that impairs their ability to perform their duties as a Director;
 - f.** upon a resolution of which notice has been given under Rule 20.2 that they shall cease to be a Director passed by a majority of the votes cast on a poll at a general meeting;
 - g.** if they become prohibited by law from being a Director;
 - h.** if any regulatory body directs that they are not a fit and proper person to be a Director of the Society.
- 14.2** The Secretary shall give at least three working days' notice in writing to all Directors of a meeting of the Board of Directors at which it is intended to move a resolution to remove a Director from office. The notice shall set out the proposed resolution and if **all** the requirements of this Rule are not complied with, the resolution, even if passed, shall be of no effect.

15. FILLING OF CASUAL VACANCIES

- 15.1** The Board of Directors may appoint a person to fill any vacancy on the Board of Directors not caused by the retirement of a Director by rotation.
- 15.2** If the Board of Directors resolves to increase the number of persons constituting the Board of Directors, the Board of Directors may appoint a person as an additional Director to fill any vacancy thereby created.
- 15.3** The Board of Directors may co-opt as a Director (whether as an additional Director or to fill any vacancy) any person:
- a.** who is under the age of 70;
 - b.** who appears to the Board of Directors to be fit and proper; and
 - c.** who has not failed, (having been nominated at an election held within the preceding 12 Months), to be elected as a Director.
- 15.4** A Director appointed under this Rule shall hold office until the conclusion of the Annual General Meeting next following their appointment.
- 15.5** A Director appointed under this Rule and retiring under Rule 15.4 shall be eligible for re-election without nomination and they shall be a retiring Director for the purposes of Rule 16.5.
- 15.6** Notwithstanding any vacancies on the Board of Directors, the remaining Directors may continue to act. If at any time the number of Directors falls below the minimum number required by rule 7.2, the Board of Directors so constituted may act by a majority of its number for a maximum period of 6 Months but in such circumstances the Chair shall not have any second or casting vote.

16. RETIREMENT BY ROTATION

- 16.1** In addition to the provisions governing the retirement of Directors in Rule 14.1 and 15.4, a Director shall retire at the third (term of 3 years) Annual General Meeting following their election by the Members at a general meeting.
- 16.2** At the sixth (two terms of 3 years) Annual General Meeting after a Director was first elected as a Director by the Members at a general meeting and:
- a.** if they are a Non-Executive Director, at each subsequent Annual General Meeting; or
 - b.** if they are an Executive Director, at the Annual General Meeting in each third succeeding year, they shall retire.
- 16.3** At the tenth Annual General Meeting after being first elected a Director by the Members at a general meeting, a Non-Executive Director shall retire and not be eligible for re-election.
- 16.4** The normal retirement age for a Director shall be 70 and the provisions of Schedule 11 to the Act shall apply.
- 16.5** A Director retiring at an Annual General Meeting under this Rule 16:
- a.** shall retain office until the conclusion of the Annual General Meeting; and
 - b.** shall be eligible for reappointment at the same Annual General Meeting provided that they are not

ineligible by reason of age at the date of the Annual General Meeting (unless Schedule 11 of the Act has been complied with) and, secondly, that the Board of Directors has considered the Director's performance and nominated them for reappointment (with their consent) at least 14 days before the giving of the notice for the Annual General Meeting in accordance with Rule 20.

- 16.6** Voting on the election of Directors shall be on a poll, which shall be deemed to have been demanded by the Chair. The following provisions shall apply to such a poll:
- a.** the voting papers shall set out the full names of **all** the candidates and the number of vacancies on the Board of Directors (any retiring Directors being denoted by appropriate marks);
 - b.** 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;
 - c.** the voting paper shall be void if a Member votes for more candidates than there are vacancies to **fill**;
 - d.** each Member entitled to vote at the meeting shall have one vote in respect of each vacancy to be filled; and
 - e.** no Member shall be required to cast all or any of the votes given to them by Rule 16.6(d).

17. FUNDS, RESERVES, PENSION AND OTHER SCHEMES

- 17.1** The Board of Directors shall maintain a Management Fund and such other funds as the Rules or the Legislation shall require or, in the absence of such requirement, as the Appropriate Actuary may from time to time advise.
- 17.2** All expenses relating to the management of the Society shall be paid from the Management Fund.
- 17.3** The apportionment of the expenses of the management of the Society, any taxes levied on the Society and the allocation of the investment income of the Society as between the different funds and parts of the funds held by the Society from time to time shall be allocated by the Board of Directors on the advice of the Appropriate Actuary. Subject to the Legislation and the advice of the Appropriate Actuary the Board of Directors may from time to time transfer from any other fund held by the Society to the Management Fund such sum or sums as it shall in its discretion consider to be fair and reasonable to meet the expenses of the management of the Society.
- 17.4** A Reserve Fund shall be maintained into which any profits from investments shall be credited and to which any losses suffered on investments shall be charged. The Board of Directors may credit to the Reserve Fund any sums accruing to the Society which are not expressly allocated by the Rules to other purposes. The Reserve Fund shall be available for transfer to any other fund of the Society from time to time.
- 17.5** The Society may maintain a Benevolent Fund for the purpose of granting assistance to deserving cases and the Board of Directors may from time-to-time transfer money from the Reserve Fund to the Benevolent Fund for such purpose.
- 17.6** If at the close of any Financial Year the amount of the Management Fund is greater than that which has been required to meet the expenses of the management of the Society, the Board of Directors may at its discretion carry the balance or a proportion thereof over to the next year, or may carry the balance or a proportion thereof to the Reserve Fund.
- 17.7** Any deficiency in the Management Fund shall be made up by a transfer from the Reserve Fund unless otherwise advised by the Appropriate Actuary.
- 17.8** Subject to Rule 17.10, the Board of Directors may from the Society's funds 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 past, present or future employees of the Society and of any society with which the Society may merge or accept a transfer of engagements in the future and their widows, spouses, children and dependants.

- 17.9** In addition to the powers in Rule 17.8 the Board of Directors may, subject to Rule 17.10, 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 or accepted a transfer of engagements;
 - c.** any widows, children or dependants of such officers and employees mentioned in Rules 17.9(a) or (b) as the Board of Directors may think fit.
- 17.10** The Board of Directors may make, vary and revoke the rules of any such fund or scheme as is mentioned in Rule 17.8 (to such extent as this power is not prohibited, or is found permissible) and may constitute any trust and may from time to time at its discretion exercise any powers which may be 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 which may be or have been made pursuant thereto.

18. ANNUAL GENERAL MEETING

- 18.1** The Society shall hold an Annual General Meeting in each Financial Year at such hour, date and place as the Board of Directors shall determine.
- 18.2** Not more than 15 Months shall elapse between the date of one Annual General Meeting and that of the next.
- 18.3** The Board of Directors shall lay before the Members at the Annual General Meeting the Annual Accounts of the Society for the last Financial Year, and shall also submit to them a report by the Board of Directors on the business of the Society, which shall include the information required by Legislation and the Rules.
- 18.4** Every notice of an Annual General Meeting shall, unless the Annual Accounts accompany the notice, state that copies of the Annual Accounts and the Board of Directors Report are available free of charge to Members of the Society, and may be sent free of charge to a Member making written request for the same.
- 18.5** The report of the auditors on:
- a.** the Annual Accounts; and
 - b.** the Directors' Report; and
 - c.** any other report required by the Legislation or which the Board of Directors considers appropriate under the Annotated Corporate Governance Code shall be laid before that meeting and shall be available for inspection by any Member.
- 18.6** 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 the documents listed in Rule 18.5;
 - d.** the election and re-election of 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 Rule 20; 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 Board of Directors.

19. SPECIAL GENERAL MEETINGS

19.1 All general meetings other than Annual General Meetings shall be called Special General Meetings.

19.2 The Board of Directors may, whenever it thinks fit, convene a Special General Meeting.

19.3 The Board of Directors shall convene a Special General Meeting on the requisition of not less than 100 Members of the Society qualified under Rule 19.4. The requisition shall state the objects of the meeting (which must however not include the election of a Director) and shall be signed by the requisitioners and deposited at the Registered Office of the Society, and may consist of one document ("Sole Requisition") or several documents in like form each signed by one or more requisitioners. A deposit of £30 in respect of each requisitioner signing the requisition shall be lodged with it at the Registered Office. If within half an hour after the time appointed for such 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.

19.4 A Member shall be qualified under this Rule for the purposes of Rule 19.3 if they:

- a. have been a Member of the Society for a continuous period of not less than two years prior to the date of the requisition; and
- b. are a person entitled to attend, speak and vote at a general meeting of the Society on the date of the requisition.

19.5 In circumstances where this Rule 19 is invoked the following shall apply:

- a. the Board of Directors shall, 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 19.3, proceed to despatch notices convening a meeting;
- b. the meeting referred to in Rule 19.5(a) shall be held within 63 days of the date of the notice of such meeting;
- c. if a meeting does not occur as required by Rule 19.5(a)-(b) the requisitioners may themselves convene a Special General Meeting, but any meeting so convened shall not be held after the expiration of five months from the date of the deposit of the Sole Requisition or last requisition;
- d. a meeting convened by the requisitioners pursuant to Rule 19.5(c) shall be convened in the same manner, as nearly as possible, as that in which meetings are convened by the Board of Directors and notices thereof shall be sent by post to the persons entitled thereto in accordance with the Legislation and Rule 20;
- e. any reasonable expenses incurred by the requisitioners by reason of the failure of the Board of Directors duly to convene a meeting shall be repaid to them by the Society. The Society shall be entitled to set off any sums owed by the Society to the requisitioners under this Rule 19.5(e) against any sums owed to the Society by the requisitioners; and

- f. the Board of Directors, or as the case may be, the requisitioners, shall give the Members of the Society notice of any resolution which the requisitioners propose to move at the meeting at the same time and in the same manner as notice is given of the meeting.
- 19.6** No business shall be entertained at any Special General Meeting except such as shall be stated in the notice convening the meeting.
- 19.7** Except where the requisitioners themselves convene a Special General Meeting under Rule 19.5, Special General Meetings shall be held at such day, hour and place as the Board of Directors shall determine.

20. NOTICE OF MEETINGS

- 20.1** Not less than 21 days' notice of the day, hour and place of the Annual General Meeting shall be given by or on behalf of the Board of Directors to those Members entitled to notice in accordance with Rule 20.6. The Annual General Meeting shall be described as such in the notice of the meeting.
- 20.2** If at least the requisite number of qualified Members of the Society give notice to it in writing (whether in one or more documents) of their intention to have moved on their behalf at an Annual General Meeting of the Society a resolution which is specified in the notice the Board of Directors shall:
- a. include in the notice of that meeting a notice specifying the intention of those Members to have the resolution moved on their behalf at the meeting and, where applicable, the intention to move it as a Special Resolution; and
 - b. at the request of the qualified Members intending to have the resolution moved on their behalf, include in the notice of that meeting to each Member entitled to receive 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.
- 20.3** For the purposes of Rule 20.2:
- a. the "requisite number" is 100;
 - b. a "qualified Member" is one who:
 - i. has been a Member of the Society for more than two years prior to the date of the notice; and
 - ii. is entitled to attend, speak and vote at a general meeting of the Society.
- 20.4** The Board of Directors shall be under no duty:
- a. to include a motion for a resolution in the notice of the Annual General Meeting; or
 - b. to send to Members a statement under Rule 20.2 if:
 - i. written notice complying with the requirements of Rule 20.2 and, if submitted, any statement given under Rule 20.2(b) are lodged with the Society later than 10th January in the year in which the Annual General Meeting at which it is intended to move the resolution is to take place;
 - ii. the resolution and, if submitted, any such statement does not relate directly to the affairs of the Society;
 - iii. the rights conferred by Rule 20.2 are being abused to seek needless publicity for defamatory matter or for frivolous or vexatious purposes; or
 - iv. the resolution is in substantially the same terms as any resolution that has been defeated at a meeting during the three years before the Annual General Meeting at which it is intended to move the resolution.

- 20.5** Notice of a special general meeting, other than an adjourned meeting shall specify the day, hour and place of the meeting and state the nature of any resolution to be moved at the meeting and of any other business to be transacted thereat. The notice shall be despatched not less than 21 days prior to the date of the meeting in accordance with Rule 20.6.
- 20.6** The Society shall provide notice of a general meeting (including a general meeting adjourned for 30 days or more) by sending the notice of a general meeting by post, or, if the Member has agreed, electronic means, to the postal or electronic Registered Address of every Member:
- a.** who is entitled to attend, speak and vote at a general meeting of the Society;
 - b.** whose name was on the Register of Members on the first day of the Month immediately preceding that in which the notice of the meeting is despatched; and
 - c.** who will be 18 or over on the date of the meeting.

Where two or more Members have the same postal address, one notice may be posted to that address.

- 20.7** The accidental omission to send a notice of a meeting or to send any document accompanying the notice to, or the non-receipt of the notice by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.
- 20.8** The sending of a notice of a meeting to any person not entitled to be given notice of it shall not entitle them to attend or vote at that meeting nor invalidate the proceedings at that meeting.
- 20.9** Notwithstanding the provisions of the Rules regarding notices to Members, there shall be no requirement to send a notice to a Member where the Society does not have a current address for the Member, or where the Board of Directors has reason to believe that a notice sent to the postal or electronic Registered Address will not come to the attention of the Member.
- 20.10** 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 a power of attorney which has been duly registered in the Register of Members by sending the notice by post, or, where the attorney has agreed, electronic means, to the postal or electronic Registered Address of the attorney. No notice need be given to the Member who gave the power.
- 20.11** 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 to their 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, or, where the recipient has agreed, by electronic means, 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, or, where the Member has agreed, electronic means, to the postal or electronic Registered Address of the Member.

21. PROCEDURE AT GENERAL MEETINGS

- 21.1** No business shall be entertained at any Annual or Special General Meeting unless a quorum is present at the time when the meeting proceeds to business, and a quorum shall be constituted for all purposes as follows:
- a.** where the meeting is a Special General Meeting requisitioned under Rule 19.3, by 100 Members present in person or by proxy; and
 - b.** in all other cases by 20 Members of the Society present in person or by proxy.

- 21.2** If no quorum shall be present within half an hour after the time appointed for the Annual or Special General Meeting or at any time during such meeting:
- a.** where the meeting is not a Special General Meeting requisitioned under Rule 19.3, the chair of the meeting shall adjourn the meeting to such day, hour and place as they shall direct;
 - b.** where the meeting is a Special General Meeting requisitioned under Rule 19.3, the chair of the meeting shall dissolve it.
- 21.3** The Chair shall preside at every meeting of the Society. If the Chair is not present within 15 minutes after the time the meeting was due to start, or is unwilling to act, the Directors present shall elect one of their number to chair the meeting. If no Director is willing to act as chair, or if no Director is present within 15 minutes after the time the meeting was due to start, the Members present shall choose one of their number to chair the meeting.
- 21.4** The chair 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 Rule 21.12 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. 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. When a meeting is adjourned for 30 days or more, or is adjourned indefinitely, notice of the adjourned meeting shall be given in accordance with Rule 21.11 at least 14 days before such adjourned meeting but it shall not otherwise be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 21.5** The Members present at an adjourned meeting shall be a sufficient quorum.
- 21.6** Subject to the Legislation and these Rules every question submitted to a general meeting shall be decided by a simple majority and such votes shall be taken in the first instance by a show of hands.
- 21.7** A poll may (before or on the declaration of the result of the show of hands) be demanded by:
- a.** the chair of the meeting; or
 - b.** 10 Members who are entitled to vote at the meeting and are present:
 - i.** in person;
 - ii.** by representative under Rule 22.5;
 - iii.** by a person specified in Rule 22.6; or
 - iv.** by proxy;
- In the event of such a demand a poll shall be taken in accordance with Rule 21.12.
- 21.8** No poll shall be permitted upon a resolution to appoint a chair for a meeting or to adjourn a meeting.
- 21.9** Unless a poll be so demanded, a declaration by the chair of 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.
- 21.10** If a motion for a Special Resolution is to be put to the vote of the meeting and on every motion for the appointment of a Director or audit or, a poll shall be deemed to have been demanded by the chair of the meeting.

- 21.11** Except in the case of a motion for a Special Resolution or and a motion for the appointment of Director or auditor, the demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chair of the meeting, and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
- 21.12** If a poll is duly demanded, it shall be taken at the meeting at which it is demanded or, if the chair of the meeting so decides, at an adjourned meeting and in either case in such manner, subject to Rule 21.13, as the chair of the meeting directs, and the result of the poll shall, notwithstanding Rule 21.4, be deemed to be the resolution of the meeting or adjourned meeting at which the poll was taken. The chair of the meeting may adjourn the meeting or adjourned meetings to someday, hour and place fixed by them for the purpose of declaring the result of the poll. A poll demanded on any 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.
- 21.13** Voting papers to be used on a poll shall be valid only if they are issued by the Society and may be in such form and with such declarations as the chair of the meeting shall direct.
- 21.14** The Board of Directors may make regulations for the taking of polls, for the conduct of elections, for the counting of votes and for the safe keeping or destruction of forms of proxy and ballot papers, and may appoint scrutineers in relation to any meeting and any vote to be taken thereat.
- 21.15** The persons entitled to attend and speak at a meeting of the Society shall be:
- a. the Directors, who shall include the Chief Executive, the Secretary, the auditors and the Appropriate Actuary;
 - b. all Members entitled to vote on any resolution included in the notice of the meeting;
 - c. any proxy, corporate representative (subject to Rule 22.7) or receiver or other person appointed under Rules 22.5 and 22.6, acting on behalf of any such Member;
 - d. any other person who is at the date of the meeting a Member of the Society and to whom notice of the meeting was given; and
 - e. any person who is not a Member of the Society but by whom or for whom benefits are being subscribed jointly by that person with a Member.
- 21.16** In the case of an equality of votes, whether on a show of hands or a poll, the Chair of the meeting shall have a second or casting vote.

22. ENTITLEMENT OF MEMBERS TO VOTE ON RESOLUTIONS

- 22.1** 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 themselves at a meeting, the date the Society specifies as the final date for the receipt of instruments appointing proxies to vote on that resolution.
- 22.2** Any Member of the Society who is not precluded from voting by the Legislation or the Rules is entitled to vote on any resolution at a general meeting of the Society. In the event that a person is a Member of the Society in more than one capacity, that person shall have only one vote.

- 22.3** On a show of hands every Member entitled to vote who is present in person shall (subject to Rules 22.5-22.7) be entitled to one vote.
- 22.4** On a poll every Member entitled to vote and present in person or by proxy shall (subject to Rules 22.5-22.7) be entitled to one vote.
- 22.5** The holder of a power of attorney from a person who is a Member and who is entitled to vote under Rule 22.2 shall, if the power of attorney has been duly registered with the Society 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 they were a Member and in the Member's place but they shall not be entitled to appoint a proxy or an attorney. Evidence to the satisfaction of the Board of Directors of the authority of the person claiming to exercise the right to vote shall be deposited at the Registered Office no later than seven days before the relevant meeting or adjourned meeting at which the right to vote is to be exercised, failing which the right to vote shall not be exercisable.
- 22.6** A Member who is entitled to vote under Rule 22.2 but 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, whether on a show of hands or on a poll, by their receiver, curator bonis or other person appointed by that court. Evidence to the satisfaction of the Board of Directors of the authority of the person claiming to exercise the right to vote shall be deposited at the Registered Office no later than seven days before the relevant meeting or adjourned meeting at which the right to vote is to be exercised, failing which the right to vote shall not be exercisable.
- 22.7** A body corporate which is entitled to vote under Rule 22.2 may by resolution of its directors or other governing body authorise a person (who need not be a Member) to act as its representative at a meeting or adjourned meeting. The original or a certified copy of the resolution shall be deposited at the Registered Office no later than seven days before the relevant meeting or adjourned meeting at which the right to vote is to be exercised, failing which the right to vote shall not be exercisable. The representative may exercise the same powers on behalf of the body corporate as that body corporate could exercise if it were an individual Member entitled to be present at the meeting.

23. APPOINTMENT OF PROXIES

- 23.1** A Member of the Society who is entitled to attend, speak and vote at a meeting of the Society:
- a.** may appoint another person (whether a Member of the Society or not) as their proxy to attend and, on a poll, to vote at the meeting instead of them; and
 - b.** may direct the proxy how to vote at the meeting.
- 23.2** If a Member has appointed a proxy, that Member shall not be entitled to vote in person on a poll unless they have previously revoked the appointment of the proxy and has given written notice of such revocation to the Society either:
- a.** at the Registered Office before the date of the meeting; or
 - b.** in such other manner as the Board of Directors may prescribe, at or before the meeting.
- 23.3** A proxy may be appointed:
- a.** by an instrument in writing signed by the appointor; or
 - b.** by electronic means (including on any website made available by the Society for that purpose); or
 - c.** if the appointor is a body corporate, under the hand of a duly authorised officer pursuant to a resolution of its directors or other governing body.

- 23.4** The instrument appointing a proxy shall be deposited at the Registered Office or at such other place as is described in the notice of the meeting and appointments by electronic means may be sent, subject to Rule 23.9, via any website made available by the Society for the purpose or to any electronic address specified by the Society for the purpose) not less than seven days (or such shorter period but not less than 48 hours as the Board of Directors may decide and specify in the notice of the meeting) before the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument shall not be valid.
- 23.5** The appointment of a proxy shall be in the form (including notes to assist the appoint or) as the Board of Directors may determine from time to time, provided that such form shall not limit the manner in which the appointor may direct the proxy to vote.
- 23.6** The Board of Directors may make regulations (subject always to the Legislation and the Rules) for the provision and return of proxy appointments.
- 23.7** The appointment of a proxy shall be deemed to confer authority to attend, speak and vote and demand or join in demanding a poll.
- 23.8** A vote given at a meeting in accordance with the terms of a proxy appointment shall be valid notwithstanding:
- a.** the previous death or incapacity 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 any such event as aforesaid had been received by the Society at the Registered Office or as provided in Rule 23.2 before the date of the meeting; or
 - b.** that since the last date specified for the appointment of proxies the appointor has ceased to be entitled to attend and vote at the meeting.
- 23.9** The Board of Directors may from time to time prescribe:
- a.** the method of determining the time at which any appointment of proxy or revocation sent by electronic means is to be treated as received by the Society; and
 - b.** the procedure of the conduct of an electronic appointment of proxy including, but not limited to, the methods of establishing the authenticity and integrity of the completed electronic appointment of proxy.
- 23.10** If two or more valid proxy appointments are received (whether at the Society's Registered Office address or such other address as is described in the notice of the meeting) in respect of the same Member for use at the same meeting, the one which is last received or treated as last received in accordance with the method of determining the time of receipt (regardless of the date at which it is signed) shall be treated as replacing and revoking the others. If two or more valid but differing proxy appointments are received in respect of the same Member for use at the same meeting and the Society is unable to determine which was last received, none of them shall be treated as valid in respect of that meeting.

24. COUNTING OF VOTES

- 24.1** If on a show of hands or a poll:
- a.** any votes are counted which ought not to have been counted; or
 - b.** any votes are not counted which ought to have been counted, the error shall not vitiate the decision arrived at unless it has been in the opinion of the chair of the meeting of sufficient magnitude so to do. In such a case the votes shall be re-counted.

25. DISPUTES

- 25.1** 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 aggrieved person, and the Society, or any officer of the Society, it shall be decided by a single arbitrator appointed by agreement between the parties, or if they cannot agree within 30 days of the dispute arising then by the president for the time being of the Law Society or, where both parties to the Dispute so consent, by reference to the County Court.
- 24.2** In this Rule the expression "Dispute" includes (but is not limited to) 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 does not otherwise include:
- a.** any Dispute other than a Dispute on a question which arose whilst they were a Member or arises out of their 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 them or under the Rules of the Society.

26. ALTERATION OF MEMORANDUM AND RULES

- 26.1** The majority of the Members at a general meeting of which notice has been given specifying the intention to propose an alteration to the Memorandum, Rules or the Schedules may alter them by adding, rescinding or varying any provision.
- 25.2** No alteration of or addition to the Society's Memorandum, Rules or the Schedules shall take effect until it is registered or such later date as is specified in the record of alteration.
- 25.3** Subject to Rules 26.2, 26.7 and 26.8 and notwithstanding Rule 26.1, the Board of Directors may alter the Memorandum, the Rules or any Schedule by adding, varying or rescinding any provision.
- 25.4** Where the Memorandum, the Rules or the Schedules are altered in accordance with Rule 26.3, a resolution to approve the alteration shall be put to the next general meeting of the Society.
- 25.5** Where the Memorandum, the Rules or the Schedules are altered in accordance with Rule 26.3 and a resolution to approve the alteration is not passed at the general meeting specified in Rule 26.4:
- a.** the alteration shall cease to be acted on from the conclusion of that general meeting; and
 - b.** the Memorandum, the Rule or Schedule (as the case may be) as it existed before the alteration shall be taken to be a further alteration and be submitted for registration forthwith.
- 25.6** Failure to pass a resolution as required by Rule 26.4 shall not invalidate any act or policy of the Society effected under the altered Memorandum, Rule or Schedule (as the case may be) before that general meeting.
- 25.7** The Society may change its name by a resolution of the Society in general meeting after the giving of such notice as is required for a Special Resolution.
- 25.8** The Society may change its Registered Office by a resolution of the Board of Directors.

27. NOTICES

- 27.1** Any notice or other document to be served on the Society under the Rules may be served either:
- a.** by leaving it, addressed to the Secretary at the Registered Office; or
 - b.** by sending it by pre-paid post or by electronic means to the Secretary at the Registered Office.
- 27.2** Any notice or other document to be served by the Society on a Member under the Rules may be served either on them personally or by sending it by pre-paid post or, if they have agreed, by electronic means to their Registered Address.
- 27.3** Any notice or other document to be served by the Society on a Director shall be served on them either personally or by sending it by prepaid post or by electronic means at his last known address.
- 27.4** Any notice or other document sent by pre-paid post shall be deemed to have been received 72 hours after the date of posting. If there shall be any doubt as to the date that the notice or other document was posted then evidence may be adduced as to the date of delivery of the notice or other document for the purpose of ascertaining the date of service.
- 27.5** In other cases where a notice or document is left or personally delivered to the Society, a Member or a Director the same shall be deemed to have been served 24 hours after the date on which it is so left or delivered.

28. ACCOUNTS

- 28.1** The Board of Directors shall ensure records of the Society are kept and shall establish and maintain systems of control of its business and records and of inspection and reporting, in accordance with the Legislation.
- 28.2** The Board of Directors shall maintain separate accounts for, and which identify the separate assets of, any Subsidiary.
- 28.3** The Secretary shall supply free of charge to every Member on demand copies of the Annual Accounts for the last Financial Year, the Board of Directors Report for that year and the auditors' report on those accounts, and they shall ensure that copies of such documents are also made available at every office of the Society.

29. INSPECTION OF RECORDS

- 29.1** The Board of Directors 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, or at any place where the records are kept.
- 29.2** It shall be the duty of the Secretary to produce the same accordingly, but such Member or person shall not, unless they are an officer of the Society, or are specially authorised by a resolution of the Society to do so, have access to Personal Data (other than information contained in the Register of Members) in respect of any other Member.

30. AUDITORS

- 30.1** At each Annual General Meeting the Society shall appoint an auditor to audit its annual accounts in accordance with the Legislation. An individual, firm or company may be appointed as auditor. The Society shall, within one week of the date of the meeting, notify the Appropriate Regulator if no auditor has been appointed or re-appointed.
- 30.2** The Board of Directors may appoint an auditor to fill any casual vacancy occurring between general meetings of the Society.
- 30.3** The remuneration, including any sums in respect of expenses, to be paid to the auditor shall be fixed by the Board of Directors.
- 30.4** In the event of:
- a.** the removal of an auditor before the expiration of their term of office by an ordinary resolution of Members;
 - b.** the resignation of an auditor in accordance with Schedule 14 of the Act; or
 - c.** the Society appointing another person as auditor in place of a retiring auditor; then the Secretary shall notify the Appropriate Regulator within 14 days.
- 30.5** Where the Society receives from an auditor, on cessation of their office, a statement of any circumstances which they consider 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.
- 30.6** Where the auditor, with a notice referred to in Rule 30.5, requisitions a special general meeting of the Society for the purpose of considering an explanation of the circumstances connected with their resignation, the Secretary shall, within 21 days convene such a general 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 Act.

31. ACTUARY

- 31.1** The Society shall have one or more Appropriate Actuaries who shall be appointed and whose appointment may be terminated by the Board of Directors.
- 31.2** The Board of Directors shall arrange for the Appropriate 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 Legislation.

32. APPLICATION OF FUNDS

- 32.1** All monies received on account of contributions or Premiums in accordance with the Rules, donations or otherwise, shall be applied in carrying out the purposes of the Society in accordance with the Rules.
- 32.2** Both monies received and interest on investments shall be credited to the appropriate funds.
- 32.3** Any transfer of assets between the Society and any Subsidiary shall, save as permitted under section 16 of the Act, be at arm's length and for a proper market value consideration and there shall be a proper apportionment of all items of money and expenses between the Society and its Subsidiaries.

33. INVESTMENT OF FUNDS

- 33.1** 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 Board of Directors or of a majority of the Members of the Society present and entitled to vote in general meeting, be invested in the purchase of or at interest upon the security of such stocks, funds, shares, securities or other investments or property of whatsoever nature and wheresoever situate and whether involving liability or not as the Board of Directors shall in its absolute discretion think fit.
- 33.2** Without prejudice to the power of the Society to invest its funds in property, the Society may acquire and hold premises:
- a.** for the purpose of carrying on any of its activities; or
 - b.** for the purpose of enabling a Subsidiary of the Society to conduct its business; and may dispose of any premises so held.

34. COMPLAINTS

- 34.1** Without prejudice to Rule 25 the Board of Directors:
- a.** shall establish internal procedures for the resolution of complaints by Members;
 - b.** may make, join with any other persons in making, or accede to a scheme or schemes for the investigation and settlement by an adjudicator of complaints, but a Member shall not thereby be prevented from referring any Dispute to arbitration under Rule 25 nor shall the determination of a complaint under this Rule prevent a Member from referring any Dispute to arbitration under Rule 25.
- 34.2** The Secretary shall give a copy of the Society's internal complaints procedure referred to in Rule 34.1(a) free of charge, on demand to any Member of the Society to whom a copy of the document has not previously been given.

35. VOLUNTARY DISSOLUTION

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

36. DISTRIBUTION OF SURPLUS ASSETS ON WINDING-UP OR DISSOLUTION

Upon the winding-up of the Society, or upon its being dissolved by consent, any surplus remaining after payment in full of the Society's creditors shall be divided among the Members at the date of commencement of the dissolution or winding-up in equal shares unless otherwise determined by Special Resolution.

37. LAW AND JURISDICTION

37.1 Unless a Member and the Society agree otherwise in writing:

- a. all arrangements between a Member and the Society, whether evidenced by a contract, policy, the Rules or otherwise; and
- b. any dispute or claim arising out of or in connection with anything in Rule 38.1(a) (including non-contractual Disputes or claims); shall be governed by and construed in accordance with the laws of England and Wales for the time being in force.

37.2 Except as otherwise set out in these Rules, the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with anything in Rule 37.1 (including non-contractual disputes or claims).

38. DEFINITIONS AND INTERPRETATION

38.1 In these Rules the following words and expressions shall have the following meanings unless a contrary intention appears:

"Act" the Friendly Societies Act 1992;

"Annual Accounts" the accounts (including the notes to them) which the Legislation requires the Society to prepare for itself and, if it has Subsidiaries, by way of group accounts for itself and its Subsidiaries;

"Annual General Meeting" an annual general meeting of the Society held under Rule 18;

"Annotated Corporate Governance Code" the annotated version for mutual insurers of the UK Corporate Governance Code published by the Association of Financial Mutuals (or its replacement) from time to time;

"Appropriate Actuary" the person or persons appointed by the Board of Directors to be the holder of the Society's chief actuary function and/or its with-profits actuary function and/or any other actuarial appointment required by Legislation from time to time;

"Appropriate Regulator" The Prudential Regulation Authority and/or the Financial Conduct Authority as appropriate or such other authority as may replace them from time to time or shall from time to time carry out such functions in relation to friendly societies as are at the date of registration of these Rules allocated to the Prudential Regulation Authority and/or the Financial Conduct Authority;

"Appropriate Regulator Handbooks" the rules and guidance promulgated by the Appropriate Regulator;

“Benevolent Fund” a fund established and kept by the Society under Rule 17.5; “Board of Directors” the committee of management of the Society;

“Board of Directors Report” the annual report of the Board of Directors under Rule 18.3; “Chair” the Director elected to fulfil that role under Rule 9.1;

“Chief Executive” the person responsible under the immediate authority of the Board of Directors for the conduct of the business of the Society;

“Contract” the cover and/or assurance cover extended to a Member either under these Rules and relevant Schedule or any previous version of the Rules or Schedules;

“Contract Document(s)” the Rules and any other document(s) issued to a Member setting out the terms and conditions of their Contract;

“Director” a member of the committee of management of the Society;

“Executive Director” a Director who holds an executive office with the Society or one of its subsidiaries;

“Financial Year” the 12 Months ending on 31st December in any year;

“Legislation” the Friendly Societies Act 1992 (“the Act”), the Financial Services and Markets Act 2000 (“FSMA 2000”), the Appropriate Regulator Handbooks and any other Act or Acts, statutory instruments or statutory provisions or regulation from time to time in force relating to an incorporated friendly society (with its registered office in England and Wales) carrying on the business and other activities carried on by the Society;

“Management Fund” a fund established and kept by the Society under Rule 17.1 to pay the expenses of management of the Society and to be otherwise dealt with under the Rules;

“Member” a Member of the Society (and “Membership” shall be construed accordingly);
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“Memorandum” the Memorandum for the time being of the Society;

“Month” a calendar month;

“Non-Executive Director” a Director who is not an Executive Director;

“Personal Data” has the same meaning as set out in the Data Protection Act 1998;

“Premium(s)” the contributions payable by a Member under the terms of their Contract;

“Prescribed Form” a form prescribed by the Society and obtainable from the Registered Office or as the Society may direct;

“Registered Address” in relation to any Member of the Society means the address, including any electronic address, currently shown in the Register of Members and if the Board of Directors so requires any postal address shall be in the United Kingdom;

“Register of Members” the records (including any electronic records) of the Society comprising the names and addresses of Members;

“Registered Office” the registered office of the Society; “Reserve Fund” a fund established and kept by the Society under Rule 17.4;

“Rules” the Rules of the Society for the time being in force;

“Schedules” the schedules to these Rules from time to time;

“Secretary” the officer appointed by the Board of Directors to be the Secretary of the Society and also means, if the office is vacant or if there is for any other reason no Secretary capable of acting, a person authorised by the Board of Directors to act as the deputy or assistant to or in the place of the Secretary;

“Senior Independent Director” the Director elected to fulfil that role under Rule 9.1;

“Society” Cirencester Friendly Society Limited;

“Special General Meeting” any general meeting which is not an Annual General Meeting; and “Special Resolution” has the meaning given by paragraph 7 of Schedule 12 to the Act.

- 38.2** Expressions defined in the Act, where used in these Rules, have the same meaning as they have in the Act, unless otherwise defined in this these Rules.
- 38.3** Unless the context otherwise requires:
- a.** words in the singular shall include the plural and in the plural shall include the singular; and
 - b.** a reference to one gender shall include a reference to the other gender.
- 38.4** A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time and shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 38.5** Headings used in these Rules shall not affect the interpretation of these Rules.



MEMORANDUM AND RULES

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Cirencester Friendly is a trading name of Cirencester Friendly Society Limited. Registered and Incorporated under the Friendly Societies Act 1992. Reg. No. 149F. Cirencester Friendly Society Limited is Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under registration number 109987. V6 (AUG 2024)