



**Memorandum and Rule  
Book**

**In effect from  
3rd August 2022**

Registered and incorporated under the Friendly Societies Act 1992

Register no. 369F

# Memorandum

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### 1. **INTERPRETATION**

#### 1.1 In this Memorandum:

- (a) "the Act" means the Friendly Societies Act 1992.
- (b) "Appropriate Regulator" means either or both of The Prudential Regulation Authority or The Financial Conduct Authority as may be appropriate (or such other authority as may replace the same from time to time).
- (c) "Relevant Legislation" means the Act, the Financial Services and Markets Act 2000 and all regulations made thereunder and any other enactment or regulation including the rules of the Prudential Regulation Authority and the Financial Conduct Authority or any of its successors from time to time relating to friendly societies.

1.2 Expressions, where used in this Memorandum, have the same meaning as they have in the Act.

1.3 Any words importing the masculine include the feminine, any words importing the singular include the plural, and vice versa.

1.4 Reference to any statutes includes reference to any statutory modification or re-enactment there.

### 2. **NAME**

The Society is an incorporated friendly society. It is called "NATIONAL DEPOSIT FRIENDLY SOCIETY LIMITED", and is referred to as the "Society".

### 3. **REGISTERED OFFICE**

The registered office of the Society is to be situated in England and Wales. The current address of the registered office shall be 11 - 12 Queen Square, Bristol BS1 4NT.

## 4. **PURPOSES**

4.1 The purposes of the Society shall be the carrying on of the following classes of business or other activities:

- (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 classes 1 and 2 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 Relevant Legislation.

4.2 Any business or activity referred to in 4.1 above:

- (a) may be carried on subject to having or obtaining (as the case may be) appropriate permission from the Appropriate Regulator (or such other authority as 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 the Financial Conduct Authority);
- (b) is to be carried on by the Society with a view to the provision, for its members and such persons connected with its members as may be prescribed in the Society's Rules of insurance and other benefits; and
- (c) is to be funded by voluntary subscriptions from members of the Society, with or without donations.

4.3 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 friendly society or any other incorporated friendly society.

4.4 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.

## 5. **POWERS**

5.1 Investment of funds

The Society may invest money not needed for immediate use in any of the following ways:

- (a) in the acquisition of land for itself or its subsidiaries;

- (b) in the erection or alteration of offices or other buildings thereon;
- (c) in any investment in which trustees are for the time being by law authorised to invest trust funds; or
- (d) in any other manner authorised by the Rules of the Society, subject to and in accordance with the provisions of the Act.

## 5.2 Borrowing

The Society may borrow money with or without security and on such terms as to interest repayment and otherwise as its committee of management may in its discretion think fit and use it for any of the purposes or activities of the Society or its subsidiaries and no one from whom the Society borrows money in purported exercise of this power shall be concerned to see that the money is wanted or that no more than is wanted is raised or be concerned in any way as to the propriety of the transaction or the application of the money.

## 5.3 Assistance to subsidiaries and jointly controlled bodies

- (a) The Society may provide any of its subsidiaries or jointly controlled bodies with any of the following services:
  - (i) loans of money, with or without security and whether or not at interest;
  - (ii) the use of services or property, whether or not for payment;
  - (iii) grants of money, whether or not repayable; and
  - (iv) guarantees of the discharge of their liabilities.
- (b) The Society may make payments towards the discharge of the liabilities of any of its subsidiaries or jointly controlled bodies.

## 5.4 Loans to members

- (a) The Society may advance to a member of at least one full year's standing any sum not exceeding one half of the amount of an assurance of his life, on the written security of himself and two satisfactory sureties or, in Scotland, cautioners for repayment. (A person's membership before incorporation of the Society shall be taken into consideration in calculating his standing for the purpose of this paragraph).
- (b) The amount so advanced, with all interest on it, may be deducted from the sum assured, without prejudice in the meantime to the operation of the security.

## 5.5 Subscriptions to other bodies

- (a) The Society may subscribe from its funds through a subsidiary or jointly controlled body to any hospital, infirmary, charitable or provident institution, any annual or other sum which may be necessary to secure to its members and their families the benefits of that institution.
- (b) The Society may contribute to the funds and take part in the government of any other friendly society.

## 5.6 Incidental Powers

- (a) The Society shall, subject to the provisions of the Act, and the Society's Memorandum and Rules, have the power to do all such other things as are incidental or conducive to the carrying out of the Society's purposes or for doing anything falling within Schedule 5 to the Act.
- (b) In addition to the powers set out in this Memorandum, the Society shall have all other powers specified in Part II of the Act, but no such power may be exercised by the Society except for carrying out the Society's purposes.

## 6. **LIMITATION OF LIABILITIES OF MEMBERS**

- 6.1 The liability of a member of the Society is limited to the amount of any subscription or amounts owed to the Society which is/are outstanding.
- 6.2 No subscription of a member of the Society shall be recoverable at law except on the winding up of the Society.

# Rules

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## 1. INTERPRETATION

1.1 In these Rules the following words and expressions have the following meanings:

"1992 Act"	the Friendly Societies Act 1992;
"2000 Act"	the Financial Services and Markets Act 2000 as amended;
"Actuary"	the person or persons appointed by the Board to be the holder of the Society's actuarial function and/or its with-profits actuary function and/or any other actuarial appointment required by the Relevant Legislation from time to time;
"Annotated Combined Code"	the annotated version for mutual insurers of the UK Corporate Governance Code published by the Association of Financial Mutuals (or its successor) from time to time;
"Annual Accounts"	the accounting documents, including the notes attached to them, which the Relevant Legislation requires the Society to prepare for itself and by way of group accounts for itself and its subsidiaries and jointly controlled bodies;
"Annual General Meeting"	an annual general meeting of the Society held under Rule 12.1;
"Appropriate Regulator"	the Prudential Regulation Authority and/or the Financial Conduct Authority as the context requires or their successors from time to time;
"Appropriate Regulator Handbook"	the rules and guidance promulgated by the Prudential Regulation Authority and/or the Financial Conduct Authority as the context requires and in accordance with the 2000 Act;
"Auditor"	the auditor of the Society appointed under Rule 9;
"Auditor's Report"	the report of the Auditor on the Annual Accounts and the Board's Report;
"Benefits"	the benefits to which a Member is entitled under his or her Insurance Cover;
"Board"	the committee of management of the Society;
"Board's Report"	a report by the Board on the business of the Society, which shall include the information required by the Relevant Legislation;

"Chairman"	the Director appointed to that office under Rule 8.4(a);
"Chief Executive"	the person appointed by the Board to be the Society's chief executive;
"Directors"	the members of the Board;
"Dispute"	shall be construed in accordance with s 80(8) of the 1992 Act;
"Electronic General Meeting"	a general meeting (whether an Annual General Meeting or a Special General Meeting) hosted on an Electronic Platform, whether the general meeting is physically hosted at a specific location simultaneously or not;
"Electronic Platform"	any form of interactive electronic platform including, without limitation, website addresses, application technology and telephonic or video conferencing systems;
"Executive Director"	a Director who holds an executive office with the Society or one of its Subsidiaries;
"Insurance Cover"	insurance cover extended to a Member either under the Pre-2006 Rules or through the issue of a Policy;
"Insurance Document"	the document issued to a Member setting out the terms and conditions of his or her Policy or, where no such document has been issued, the Pre-2006 Rules;
"Member"	a member of the Society (and "Membership") shall be construed accordingly;
"Members' Notice"	a notice described in Rule 12.3(f)(ii);
"Nomination Committee"	the committee of the Board referred to in Rule 8.10(a);
"Non-executive Director"	a Director who is not an Executive Director;
"Ordinary Resolution"	a resolution of the Members in general meeting other than a Special Resolution;
"Policy"	any insurance policy issued by the Society on or after 1 December 2006 or any insurance policy originally issued by another person and subsequently transferred or novated to the Society whether under s86 of the 1992 Act, Part VII and Schedule 12 to the 2000 Act or otherwise;
"Pre-2006 Rules"	the Rules of the Society in force immediately before 1 December 2006;



"Premiums"	the contributions payable by a Member under the terms of his or her Insurance Cover;
"Qualified Auditor"	an auditor who is eligible for appointment as the auditor of the Society within the meaning of paragraph 4, and who is not ineligible to be appointed within the meaning of paragraph 5, of Schedule 14 to the 1992 Act;
"Register"	the register or other (electronic or otherwise) record of Members;
"Registered Office"	the registered office of the Society for the time being;
"Relevant Legislation"	the 1992 Act, the 2000 Act, the Appropriate Regulator Handbooks and every other statute or regulation for the time being in force relating to an incorporated friendly society (with its registered office situated in England and Wales) carrying on the business and other activities carried on by the Society;
"Remuneration Committee"	the committee of Non-executive Directors referred to in Rule 8.6(a);
"Remuneration Report"	the report prepared by the Remuneration Committee which shall include the matters required under Schedule 7A to the Companies Act 1985 to be included in the directors' remuneration report of a company to which that Schedule applies;
"Resolution Statement"	a statement described in Rule 12.3(g)(ii);
"Secretary"	the person appointed by the Board to be the Society's secretary;
"Senior Independent Director"	the Director appointed to that office under Rule 8.4(a);
"Society"	National Deposit Friendly Society Limited;
"Special General Meeting"	a general meeting of the Society other than an Annual General Meeting;
"Special Resolution"	a resolution of the Members in general meeting to which paragraph 7 of schedule 12 to the 1992 Act applies;
"Subsidiary"	a body corporate which is controlled or jointly controlled by the Society for the purposes of section 13 of the 1992 Act; and
"Working Day"	a day other than a Saturday and Sunday or public holiday in any part of the United Kingdom.

- 1.2 In these Rules, unless the context requires otherwise, references to one gender shall include all genders and references to the singular shall include the plural and vice versa.
- 1.3 Unless the context requires otherwise, words and expressions which are defined in ss 116 and 119 (inclusive) of the 1992 Act or in the Appropriate Regulator's Handbook shall have the same meanings in these Rules.
- 1.4 In these Rules any reference to the Appropriate Regulator's Handbook, the Annotated Combined Code or to any statute refers to the Appropriate Regulator's Handbook, the Annotated Combined Code or that statute as amended, varied or re-enacted or otherwise replaced from time to time.
- 1.5 Headings to Rules or sets of Rules are for convenience only and shall not affect the interpretation of these Rules.

## **2. MEMBERSHIP**

- 2.1 A person of any age may become a Member by having an application for Insurance Cover accepted by the Society whether that application is made by him or her or on his or her behalf. The form of application shall be determined by the Society from time to time and the Society may require further information about the applicant (or any person acting on behalf of the Member where appropriate) as it sees fit. Acceptance of an application shall be at the Society's total discretion.
- 2.2 (a) Any Member who is under the age of 16 years cannot execute instruments or give any receipts necessary to be executed or given under these Rules personally. Such instruments or receipts must be executed by his or her parent, guardian or legal representative on his or her behalf.
- (b) Subject to the terms of the Insurance Cover a Member aged 16 years or over may execute all instruments and give all receipts necessary to be executed or given under these Rules. Subject to the terms of the Insurance Cover the person acting on behalf of the Member will cease to be able to execute all instruments or give all receipts necessary as soon as the Member attains age 16.
- 2.3 (a) All Members shall be recorded in the Register.
- (b) The names of all persons who either cease to be Members, or who cease to be entitled to be Members shall have their membership status amended on the register and, after a given period of time (at the discretion of the Board), be removed from the Register.
- 2.4 The Society may carry on group insurance in accordance with the 1992 Act and the terms and conditions of each individual scheme will provide whether or not persons are required to be Members of the Society.
- 2.5 The decision of the Board on any question of whether a person is or, as the case may be, is entitled to be, a Member shall be conclusive for all purposes of these Rules.

### **3. TERMINATION OF MEMBERSHIP**

3.1 A person who is a Member shall automatically cease to be a Member:

- (a) if the Society receives notification that he/she has died;
- (b) if he or she assigns his or her interest in all of the Insurance Cover by virtue of which he or she was a Member or has ceased to be the beneficiary under all Insurance Cover held by him or her by operation of law; or
- (c) if for some other reason (including the rescission, cancellation, or surrender of his or her Insurance Cover, or the expiry of any periods of insurance for which his or her Insurance Cover extended) neither the Society nor the Member has any remaining rights under any of the Insurance Cover by virtue of which he or she was a Member.

3.2 A Member may also be expelled from Membership by the Board if:

- (a) he or she has been imprisoned for any crime; or
- (b) he or she has been guilty (in the sole opinion of the Board) of serious personal misconduct; or
- (c) he or she has (in the sole opinion of the Board) committed repeated and/or serious breaches of these Rules; or
- (d) he or she has been in arrears with his or her Premiums for such period as is specified for that purpose in the applicable Insurance Document and/or his or her Insurance Cover has been terminated in accordance with the applicable Insurance Document; or he or she 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 Insurance Cover or otherwise and/or has made fraudulent or deceitful claims upon the Society. The Society reserves the right to use individual policy terms to support this ruling.

Members shall be kept informed during the expulsion process including any rights of appeal. The Board may appoint a panel to sit on its behalf as part of the expulsion process.

### **4. REGISTER OF MEMBERS**

4.1 The Society shall maintain a register of the names and addresses of the Members.

4.2 The Register shall be kept at the Registered Office or at such other place as the Board thinks fit.

4.3 The Society need not enter in the Register the address of a Member who became a Member before the incorporation of the Society if it has no address for him or her and his or her whereabouts are unknown.

4.4 Each Member shall notify the Society of any change in his or her address within 28 days of the change occurring.

4.5 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 an address or electronic address for that Member in the Register while it has no address for him or her and his or her whereabouts are unknown.

## **5. PREMIUMS, BENEFITS, SURPLUSES AND BONUSES**

- 5.1 The terms on which any person shall pay Premiums to the Society and receive Benefits from it are not contained in these Rules.
- 5.2 Unless the Society has issued a Policy in respect of any Insurance Cover taken out by Members before 1 December 2006, the terms of such Insurance Cover shall be as set out in the Pre-2006 Rules, subject always to any special terms applicable to the Insurance Cover notified to the Member from time to time.
- 5.3 The terms of the Insurance Cover taken out by Members on or after 1 December 2006 (including the Premiums payable and the Benefits to which the Member is entitled) shall be as set out in the relevant Policy.
- 5.4 The Society shall make copies of the terms on which Benefits are provided available to Members of the Society free of charge.
- 5.5 Distribution of surpluses and bonuses shall be determined by the Board on the advice of the Actuary.

## **6. FORFEITURES AND ARREARS**

The provisions for forfeiture of Insurance Cover shall be as stated, or incorporated by reference, in the relevant Insurance Document and shall be subject to any Relevant Legislation.

## **7. NOMINATIONS**

A Member who is aged 16 years or over may nominate a person or persons to whom any sum of money payable by the Society on his or her death, or any specified amount of money so payable, shall be paid, in accordance with Schedule 9 to the 1992 Act.

## **8. GOVERNANCE OF THE SOCIETY**

### **8.1 The Board: Powers and Duties**

- (a) The Board shall be the directing body of the Society. The members of the Board shall be known as and shall be Directors of the Society (and references in these Rules to "Directors" or "Director" shall be construed accordingly).
- (b) Subject to the Relevant Legislation, the Memorandum, these Rules and any directions given by Special Resolution, the business of the Society shall be managed by the Board who may exercise all the powers of the Society that are not, by these Rules or by the 1992 Act, required to be exercised by the Society in general meeting.

- (c) Neither any alteration in these Rules nor any direction which is referred to in Rule 8.1(b) shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that direction had not been given.
- (d) The Board shall have power to act notwithstanding any vacancy or vacancies on the Board. If at any time the number of Directors falls below the number prescribed by Rule 8.2(a) the Board may act by a majority of its members, even though its members may be insufficient to form a quorum, for a maximum period of six months.
- (e) The Board may delegate any of its powers to a sub-committee consisting of two or more Directors or other persons it considers appropriate. It may also delegate such of its powers as it considers desirable to any Director. Any such delegation may:
  - (i) be made subject to any conditions the Board may impose;
  - (ii) be revoked or altered, and may either give the sub-committee exclusive powers within its terms of reference or may retain the right of the Board itself to continue to exercise its own powers within the terms of reference of the sub-committee.

Subject to any such conditions, the proceedings of any such sub-committee with two or more members shall be governed, as far as they are applicable, by the rules regulating the proceedings of Directors.

- (f) Without prejudice to the generality of Rules 8.1(a) to 8.1(e), the Board:
  - (i) may pay, out of the funds of the Society, the Society's expenses and such other sums as the Board may consider necessary or expedient to be paid in the interests of the Society. Subject to Rule 8.6 no Director (other than an Executive Director), however, shall receive any payment except in accordance with these Rules;
  - (ii) may make, vary or revoke regulations for the conduct of all affairs and business of the Society (and for the conduct of business at meetings of the Board) provided that the regulations are not, or do not become, inconsistent with the Society's Memorandum, these Rules or with the Relevant Legislation;
  - (iii) may purchase or take on lease in the name of the Society any land, and may sell, exchange, mortgage, lease or build upon such land (with power to alter and pull down buildings and rebuild), and no purchaser, assignee, mortgagee or tenant shall be bound to inquire as to the authority for any sale, exchange, mortgage or lease by the Society; (iv) shall order and direct how and when the funds of the Society shall be invested;
  - (iv) may, in relation to any separate fund or otherwise, establish reserves which may or may not be allocated for a specific purpose and may transfer to or from such reserves such sums as the Board shall from time to time think fit;
  - (v) may exercise the borrowing powers of the Society as the Board sees fit;

- (vi) may take all steps and other actions required or authorised by the Relevant Legislation and all other necessary actions in order to provide for the reinsurance, to such extent as may from time to time be approved by the Actuary, of any risks against which persons are or are to be insured by the Society in accordance with s 12(3) of the 1992 Act;
- (vii) may take all steps and other actions required or authorised by the Relevant legislation and all other necessary actions in order to amalgamate the Society with one or more other friendly societies in accordance with s 85 of the 1992 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
- (viii) may take all steps and other actions required or authorised by the Relevant 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 s 86 of the 1992 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).

## 8.2 Membership of the Board

- (a) The Board shall consist of such number of individuals as the Board may determine from time to time and no more than 50% shall be Executive Directors.
- (b) Nobody aged under 18 shall be appointed as a Director.
- (c) The normal retirement age for a Director shall be age 70 and the provisions of schedule 11 of the 1992 Act shall apply. However, if the Director is under the age of 70 at the time of election or re-election and is subject to the retirement by rotation Rule 8.11(a) then he or she may stay in post until the end of his or her rotation period despite achieving age 70 during such period. This provision is subject to Rule 8.3 and 8.11(b).
- (d) A person does not need to be a Member in order to be a Director.

## 8.3 Term of Appointment

No Non-executive Director shall be appointed (or reappointed under Rule 8.11(d)(ii)) for a term expiring later than the date of the third Annual General Meeting following his or her appointment (or reappointment). Once a Non-executive Director has attended his or her ninth Annual General meeting he or she shall retire and he or she shall be subject to annual election by the Membership provided that the Board has recommended to the Membership that he or she be put forward for re-election. Executive Directors may be appointed for a term of up to three years and shall then retire by rotation but shall be eligible for re-election on any number of occasions with no limit as to normal retirement age or any nine-year rule.

## 8.4 Appointment of Chairman and Senior Independent Director

- (a) The Directors shall from time to time appoint one of their members (who shall not be an Executive Director) as chairman of the Board, and another (who shall not be an Executive Director) as Senior Independent Director, each to hold office in that post for a maximum term of one year (subject to re-appointment). The Board may remove either person from such office at any time. The Chairman or, in his or her absence, the Senior Independent Director, shall preside at every meeting of the Board at which he or she is present.

- (b) If the Chairman and the Senior Independent Director are both absent from a meeting of the Board or both decline to preside at a meeting, the Directors present at that meeting shall appoint a Director to be chairman for the purposes of that meeting.
- (c) In addition to chairing meetings of the Board the Chairman and the Senior Independent Director shall fulfil the functions described for them in the Annotated Combined Code.

## 8.5 Interest in contracts

- (a) Subject to a Director's complying with the Relevant Legislation:
  - (i) requiring him or her to declare to the Board any direct or indirect interest he or she might have, or be treated as having, in any contract to which the Society is a party;
  - (ii) prohibiting particular contracts;
  - (iii) requiring a contract to be approved by a resolution of a general meeting; or
  - (iv) requiring him or her to furnish the Society with particulars of any related business, he or she may enter into or be interested in contracts with the Society, irrespective of whether such interest is direct or indirect,

he or she shall not be disqualified from office thereby, nor shall he or she 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 a Director at the time of such contract. The ability of a Director to enter into or be interested in contracts with the Society is subject to any conditions or liability to account which may be imposed from time to time by regulations made in accordance with Rule 8.1(f)(ii).

- (b) No Director may vote as a Director in relation to any contract, or proposed contract, in which he or she is interested, or upon any matter arising out of it. If he or she does vote, the vote shall not be counted, nor shall the Director be counted in the quorum when any such contract, or proposed contract, is under consideration. For the avoidance of doubt, the prohibition contained in this Rule 8.5(b) shall not apply in any case where the only applicable interest of the Director in question is any interest he or she may have as a director or officer of a Subsidiary company, jointly controlled body or other associated body of the Society.
- (c) Notwithstanding anything contained in this Rule 8.5, but subject always to the Relevant Legislation, the prohibition contained in Rule 8.5(b) may at any time be suspended or relaxed to any extent by resolution at a general meeting of the Society.
- (d) In this Rule 8.5 the term "contract" includes any transaction or arrangement.
- (e) For the purposes of these Rules, no interest:
  - (i) in any Insurance Cover provided by the Society; or
  - (ii) in any other financial services or other product provided, or arranged, by the Society, or by any subsidiary of the Society,

shall be regarded as an interest so long as it is provided on substantially the same terms as would be available to Members generally. An interest of which a Director has no knowledge and of which it is unreasonable to expect him or her to have knowledge shall not be treated as an interest of his or hers.

## 8.6 Remuneration of Directors

- (a) The Board shall delegate all decisions relating to the remuneration of the Chairman, the Chief Executive, any other Executive Directors and the Secretary to a committee, to be called the Remuneration Committee. The Remuneration Committee shall consist of Non-executive Directors.
- (b) Subject to Rule 8.6(a), each Director shall be entitled to such remuneration as the Board may from time to time determine.
- (c) A Director may, in addition, be paid:
  - (i) reasonable travelling, hotel and other expenses he may incur while attending the business of the Society; and
  - (ii) reasonable expenses he may incur in obtaining independent legal advice in relation to the performance of his or her duties as a Director.
- (d) Subject to the limit on the number of Executive Directors in Rule 8.2(a), a Director may hold any office, employment or position of profit with the Society simultaneously with his or her office of Director and may be appointed by the Board to an office, employment or position of profit with any body corporate in which the Society is, or will be, interested. A Director may not, however, hold the office of Auditor.
- (e) A Director appointed to an office or position of profit with a body corporate in accordance with Rule 8.6(d) shall disclose any benefit he or she derives from any such office or position to the Board in the financial year in which it is received.
- (f) Where the Board is considering proposals concerning:
  - (i) the appointment of one or more Directors to hold any office or position of profit with the Society or with any body corporate in which the Society is, or will be, interested, or
  - (ii) the arrangement of the terms of any such appointment, such proposals shall be divided and considered in relation to each Director separately.

A Director shall absent himself or herself from any meeting of the Board and shall not be counted in the quorum present at that meeting while his or her own appointment or the arrangement of the terms of that appointment are under consideration. Subject to this restriction, the prohibition in Rule 8.5(b) shall not apply and a Director may be counted in the quorum present at the meeting at which such proposals are under consideration and may vote on any such appointment or arrangement other than his or her own appointment or the arrangement of the terms of that appointment.

- (g) Every annual balance sheet and income and expenditure account of the Society shall give particulars of the emoluments (including any performance-related pay), pensions, compensation for loss of office and financial interest of Directors, other



officers and employees of prescribed descriptions of the Society in accordance with the Relevant Legislation.

#### 8.7 Appointment of officers, employees and others

- (a) The Society shall have a chief executive and a secretary whose appointment and termination of appointment shall be governed by the Board. The offices of Chief Executive and Secretary may be held by the same person. Neither the Chief Executive nor the Secretary need be a Director. Both they and all other officers of the Society must be over the age of 18 years.
- (b) The Chief Executive shall be responsible under the immediate authority of the Board for the conduct of the business of the Society.
- (c) The duties of the Secretary shall be those conferred upon him or her by the Rules and by the Relevant Legislation together with any additional duties that the Board may determine from time to time.
- (d) The Board may appoint such employees, advisers and agents as it may at any time determine and may terminate their appointment.
- (e) The Board may appoint a person to more than one office, employment or position, subject to the exception that neither the Chief Executive nor the Secretary may simultaneously hold the office of Chairman.
- (f) The powers and duties of persons appointed under this Rule 8.7 shall be those given to 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.

#### 8.8 Indemnity of Directors, officers and employees

- (a) Every Director and every other officer and every employee of the Society shall be indemnified by the Society against any liability in respect of losses, costs, charges, damages and expenses which might arise from, or in the course of, his or her duties. Such indemnification shall cover any liability incurred by him or her in defending any proceedings whatsoever, whether civil or criminal, which arises out of his or her duties in relation to the Society and under which judgment is given in his or her favour or under which he or she is acquitted but may not cover any liability under any rule of law or of the Relevant Legislation, 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.
- (b) The Society may take out a policy of insurance to cover any such indemnity or liability as is mentioned in Rule 8.8(a).

#### 8.9 Vacation of office and disqualification

- (a) A Director shall cease to hold office:
  - (i) if he or she resigns his or her office by notice in writing to the Secretary;
  - (ii) if he or she takes up a permanent residence outside the United Kingdom;
  - (iii) if a request is made to that Director in writing, by 75% of the Directors (save the Director in question), that he or she should resign forthwith;

- (iv) if he or she absents himself or herself for a period of more than six consecutive months from meetings of the Board held during that period, without permission of the Board, and the Board passes a resolution that he or she has vacated office;
- (v) if he or she becomes bankrupt or is subject to sequestration, or compounds or makes any arrangements with his or her creditors generally;
- (vi) if he or she is, or might be, suffering from mental disorder and either:
  - (1) he or she is admitted to hospital in pursuance of an application for admission for treatment under the provisions of the Mental Health Act 1983 or is admitted to hospital under the provisions of the Mental Health (Scotland) Act 1984 or the provisions of the Mental Health Act (Northern Ireland) 1961; or
  - (2) an order is made by a Court having jurisdiction (whether in the United Kingdom or elsewhere) for his or her detention in matters concerning mental disorder or for the appointment of a receiver, curator bonis, or other person to exercise powers with respect to his or her property or affairs;
- (vii) upon a resolution that he or she shall cease to be a Director, where that resolution has been passed by a majority of the votes cast on a poll at a general meeting of the Society of which notice has been given under Rule 12.3;
- (viii) if, whilst a Director and without the prior consent of the other Directors, he or she accepts the office of a director in (or member of the committee of management of) any other organisation, company or body deemed by the Board to be in direct competition with the business of the Society;
- (ix) if, while an Executive Director, he or she ceases for any reason to hold an executive office with the Society;
- (x) if he or she becomes prohibited by law from being a member of the committee of management of a friendly society; or
- (xi) if he or she contravenes Rule 8.5(a) by knowingly or recklessly failing to declare an interest and the Board passes a resolution that he or she has vacated office.
- (b) In the absence of any formal resignation being received by the Society the Secretary shall give not less than 14 clear days' notice in writing to all Directors (including the errant Director) 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 require at least 75% of the Directors (except the Director in question) to resolve that he or she has vacated office. If the requirements of this Rule have not all been complied with, the resolution, even if passed, shall be of no effect. Rule 16 shall apply to any such notice.

#### 8.10 Appointment to the Board

- (a) The Board shall establish a Nomination Committee. The principal purpose of the Nomination Committee shall be to advise the Board and make recommendations to Members on the appointment (or re-appointment) of Directors in accordance with the Annotated Combined Code.

- (b) The Board may appoint an individual as a Director to fill any vacancy. The Board may also appoint an individual as a Non-executive Director who has ceased to be a Director under Rule 8.9(a)(ix).
- (c) The Board may appoint an individual as an additional Director.
- (d) The Board shall only, under this Rule, appoint an individual who:
  - (i) appears to it to be fit and proper to be a Director;
  - (ii) is qualified under Rule 8.2(b); and
  - (iii) 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.
- (e) A Director appointed under this Rule shall hold office until the conclusion of the Annual General Meeting immediately following his or her appointment.
- (f) A Director appointed under this Rule and retiring under Rule 8.10(e) shall be eligible for reappointment at the Annual General Meeting referred to in Rule 8.11(e) in the same way as a retiring Director and shall be similarly eligible for reappointment for the purposes of Rule.

#### 8.11 Retirement of Directors and Re-appointment

- (a) In addition to the provisions governing the retirement of Directors in Rule 8.9(a) and Rule 8.10(e), a Director shall retire at the third Annual General Meeting following his or her appointment.
- (b) At the ninth Annual General Meeting after a Non-executive Director was first elected as a Director and at each subsequent Annual General Meeting, he or she shall retire.
- (c) A Director retiring at an Annual General Meeting under this Rule 8.11:
  - (i) shall retain office until the conclusion of the Annual General Meeting; and
  - (ii) shall be eligible for reappointment at the same Annual General Meeting provided, first, that he or she is not ineligible and, secondly, that he or she is nominated by the Board for reappointment (with his or her consent) before the giving of the notice for the Annual General Meeting in accordance with Rule 12.
- (d) Appointments of Directors shall, unless made under Rules 8.10(b) or 8.10(c), be made at Annual General Meetings upon a resolution being passed that a candidate shall be appointed as a Director. In the case of the number of candidates exceeding the number of vacancies, the appointment shall be made of the candidate(s) obtaining the most votes on a poll. The poll shall be deemed to have been demanded by the chairman presiding at the Annual General Meeting. The following provisions shall apply:
  - (i) the voting papers shall include the number of vacancies on the Board, the full names of all the candidates, any declarations required by the 1992 Act and any recommendations made by the Nomination Committee;
  - (ii) subject to Rule 8.11(d)(i), the Board may prescribe or approve the form of the voting paper and may include such other declarations and denoting of retiring Directors as it

thinks fit. If proposing a person for election as a Non-executive Director, the Board shall give its reasons for doing so in papers accompanying the voting papers;

- (iii) the voting shall be effected by the placing of an X after the names of the candidates;
  - (iv) for whom the votes are to be cast;
  - (v) the voting papers shall be void if a Member votes for more candidates than there are vacancies to be filled;
  - (vi) each Member who is qualified to vote under Rule 12.6(a) shall have one vote in respect of each vacancy to be filled;
  - (vii) no Member shall be required to cast all or any of the votes given to him or her by Rule 8.11(d)(v); and
  - (viii) in the event of two or more candidates tying for appointment as a Director on a poll, the candidate who polled the fewest votes in that poll shall withdraw from the election and a new poll shall be conducted in accordance with this Rule 8.11(d) save that any instruction given to a proxy to vote in favour of the candidate who has withdrawn from the election shall be disregarded and the proxy shall abstain from exercising that vote.
- (e) An individual may be nominated for appointment at an Annual General Meeting as a Director if:
- (i) he or she is nominated by:
    - (1) the Board (acting on the advice of the Nomination Committee); or
    - (2) a notice given to the Society in writing signed by at least 10 Members (each of whom is over the age of 18 years) and the Members' nomination is given to the Society not later than the last day in the month of December preceding the Annual General Meeting at which it is proposed that the candidate should be appointed as a Director;
  - (ii) he or she will be qualified under Rule 8.2(b) at the date of the Annual General Meeting;  
and
  - (iii) before the Annual General Meeting he or she supplies in writing (in such form as the Board may require) evidence that he or she is fit and proper to be a Director, including evidence as to his or her qualifications, financial and managerial experience, creditworthiness, competence and character and (if the Board thinks fit) completes in draft any form or questionnaire that, if appointed a Director, he or she would be required to submit to any regulatory authority under the Relevant Legislation.

#### 8.12 Pensions and other schemes and funds

- (a) 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:
  - (i) past, present or future officers and employees of the Society (not including any Director who does not hold and has not held any executive position in the Society in addition to that of Director);

- (ii) past and present officers and employees of any society with which the Society might amalgamate or from which it might accept a transfer of engagements in the future; and
  - (iii) any spouses, children and dependants of persons referred to in Rules 8.12(a)(i) or 8.12(a)(ii).
- (b) In addition to the above powers the Board may grant, on such terms as it thinks fit, other pensions, allowances, gratuities, donations and bonuses to and for the benefit of:
- (i) past or present officers and employees of the Society;
  - (ii) past officers and employees of a society with which the Society has amalgamated or from which the Society has accepted a transfer of engagements; and
  - (iii) any spouses, children or dependants of such officers and employees mentioned in Rules 8.12(b)(i) or 8.12(b)(ii).
- (c) Subject to Rule 8.12(a), the Board may make, vary and revoke the rules of any fund or scheme mentioned in Rule 8.12(a) and may constitute any trust and may from time to time exercise, at its discretion, any powers reserved to the Society under any trust constituted by the Society, including the power of modifying or discontinuing the terms of such trust or any rules or regulations that may be or may have been made pursuant to it.

### 8.13 Accounts

- (a) The Board shall cause accounting records of the Society to be kept. The Board shall establish and maintain systems of control and of inspection and report of its business and records in accordance with the Relevant Legislation.
- (b) The Board shall establish and maintain separate accounts for any subsidiary companies and jointly controlled bodies which identify their separate assets.
- (c) In each financial year the Board shall send two copies (or as required by the Relevant Legislation) of:
  - (i) the Annual Accounts for the last financial year;
  - (ii) the Board's Report for that year; and
  - (iii) the Auditor's report on those accounts,
    - to the Appropriate Regulator not later than 30 June or 14 days before the Annual General Meeting, whichever is earlier.
- (d) The Secretary shall supply copies of:
  - (i) the Annual Accounts for the last financial year;
  - (ii) the Board's Report for that year;
  - (iii) the Auditor's report on those accounts; and
  - (iv) the Remuneration Report for that year,

to any Member on demand, free of charge.

#### 8.14 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 its Registered Office, or at any place where the records are kept. The Secretary shall produce the records for inspection at all reasonable hours. Any inspecting Member or person shall not, unless he is an officer of the Society, or is specially authorised by a resolution of the Society to do so, have access to personal information about any other Member without the written consent of that Member other than information contained in the Membership list.

#### 8.15 The procedures of the Board

(a)

(i) The Board may determine the number of Directors as set out in Rule 8.2(a) and may otherwise, subject to the provisions of these Rules and to the Relevant Legislation, regulate its proceedings as it sees fit.

(ii) A Director may, and the Secretary at the request of a Director shall, call a meeting of the Board. Notice of such meeting shall be given to Directors in accordance with Rule 16. Whenever practicable not less than seven days' notice of any meeting of the Board shall be given, but, subject to Rule 8.9(b), no acts of any meeting of the Board shall be invalid merely because less than seven days' notice of any meeting was given.

(iii) Questions arising at a meeting of the Board shall be decided by a majority of votes and, if the votes are equal, the chairman of the meeting shall have a second or casting vote.

(iv) Members of the Board may in order to consider and transact business convene together all or some through the medium of one or more conference telephone or videophone or other communications equipment whereby all persons participating may hear each other and be heard sufficiently to permit contemporaneous exchange and debate. Subject to the notice and quorum provisions of these Rules being observed each such convention shall be deemed to constitute a meeting and participation in a meeting in such manner shall be deemed to constitute presence in person at such meeting. If a majority of such participants in such convention are present in person in one place that place shall be deemed the location of the meeting and if there is no such majority then the location of the chair of the meeting shall be deemed the location of the meeting. Voting in any such convention shall be by way of a poll taken orally. A resolution passed at any meeting of the Board held in accordance with this Rule 8.15(a)(iv) and signed by the chair of the meeting shall be valid and effectual as if it had been passed at a meeting of the Board duly convened and held.

(b) The quorum for the transaction of the business of the Directors shall be three Directors present in person of whom at least two shall be Non-executive Directors.

(c) All acts done by a meeting of the Board, or of a committee of the Board, or by a person acting as a Director shall, even though it may later be discovered that there was a defect in the appointment of any Director or:

(i) that any of them were disqualified from holding office; or

(ii) had vacated office; or

- (iii) were not entitled to vote,

be as valid as if every such person had been duly appointed, was qualified, had continued to be Director and had been entitled to vote in respect of such acts.

- (d) A resolution in writing signed by all the persons entitled to receive notice of a meeting of the Board or of a committee of the Board shall be valid and effectual as if it had been passed at a meeting of the Board or (as the case may be) a committee of the Board duly convened and held, and may consist of several documents in similar form each signed by one or more persons. For the purposes of this Rule, a signature may be affixed to a facsimile copy of the resolution and any signed resolution shall be valid if the Society receives at the Registered Office the original or a copy by facsimile transmission.
- (e) The Secretary shall keep a minute book to record: (i) the proceedings at each meeting of the Board; and (ii) each resolution passed under Rule 8.15(d).

## **9. AUDITOR**

- 9.1 At each Annual General Meeting the Society shall appoint a Qualified Auditor to audit its annual accounts in the manner required by the Relevant Legislation. An individual or a firm may be appointed as the Auditor. The Society shall, within one week of the date of the meeting, notify the Appropriate Regulator if no Auditor has been appointed or reappointed.
- 9.2 The Board may appoint a Qualified Auditor to fill any vacancy in the post of Auditor which may occur between general meetings of the Society.
- 9.3 The Board shall fix the level of remuneration, including any sums in respect of expenses, to be paid to the Auditor.
- 9.4 In the event of:
  - (a) the removal of the Auditor before the expiration of his or her term of office by Ordinary Resolution;or
  - (b) the resignation of the Auditor in accordance with Schedule 14 to the 1992 Act, the Secretary shall notify the Appropriate Regulator within 14 days.
- 9.5 If the Society receives:
  - (a) a statement from the Auditor, on cessation of his or her office, of any circumstances which he or she considers should be brought to the attention of the Members or the creditors of the Society; and
  - (b) a requisition to convene a meeting of the Society for the purpose of explaining the circumstances connected with his or her resignation.

The Secretary shall, unless directed otherwise by the Court on an application, call a Special General Meeting within 28 days and shall (within 14 days of receipt by the Society) send a copy of the statement or requisition to the Members.

## **10. THE ACTUARIES**

- 10.1 The Society shall have one or more Actuaries whose appointment and termination of appointment shall be governed by the Board.
- 10.2 Each Actuary shall be qualified for appointment within the meaning of the Relevant Legislation.
- 10.3 The Secretary shall serve notice on the Appropriate Regulator of the appointment of each Actuary in accordance with the Relevant Legislation.

## **11. APPLICATION AND INVESTMENT OF FUNDS**

- 11.1 All moneys received as premiums, donations or under the terms of Insurance Cover shall be applied in carrying out the purposes of the Society in accordance with the Rules.
- 11.2 All moneys received and all interest or other income from investments shall be credited to the appropriate funds in accordance with the Relevant Legislation.
- 11.3 Any transfer of assets between the Society and a subsidiary or jointly controlled body shall be at arm's length and for a proper market value consideration (except as authorised by s 16 of the 1992 Act) and there shall be a proper apportionment of all items of income and expenditure between the Society and its subsidiaries and jointly controlled bodies.
- 11.4 Subject to the advice of the Actuary where appropriate, the Board may invest funds which are not immediately required to meet the Society's liabilities as follows:
- (a) in the purchase of development of land;
  - (b) in any investment in which trustees are for the time being by law authorised to invest trust funds; or
  - (c) at any time during which the Society falls within s 14(3) of the 1992 Act (or is treated as doing so for the purposes of s 14(2) of the 1992 Act), in the purchase of any interest in any kind of property, located anywhere in the world, regardless of whether the property produces income or incurs liabilities for the Society,

and the Society may also lend its funds either against security (which may include sums due to a Member from the Society under the Member's Insurance Cover) or against no security.

- 11.5 The Board may establish such discretionary funds as it considers appropriate and make such transfers into, and payments out of, the discretionary funds as it considers fit from time to time.

## **12. MEETINGS AND RESOLUTIONS**

### **12.1 Annual General Meetings**

- (a) The Society shall hold an annual general meeting in each financial year.
- (b) Each Annual General Meeting shall be held at the time and place and in such manner (either as a physical Annual General Meeting and/or an Electronic General



Meeting) as determined by the Board and shall not take place more than 15 months after the last Annual General Meeting.

- (c) The Board shall lay before the Members at the Annual General Meeting or otherwise make available to such Members:
  - (i) the Annual Accounts of the Society covering the last financial year before the date of the meeting;
  - (ii) the Board's Report;
  - (iii) the Remuneration Report;
  - (iv) the Auditor's Report; and
  - (v) any other report which the Board considers appropriate or which it chooses to adopt under the Annotated Combined Code.
- (d) Each notice of the Annual General Meeting shall state that copies of the Annual Accounts, the Board's Report, the Remuneration Report, the Auditor's Report and any additional reports are available to Members.
- (e) No business shall be conducted at an Annual General Meeting, and no resolution shall be proposed at an Annual General Meeting, except on:
  - (i) the Annual Accounts;
  - (ii) the Board's Report;
  - (iii) the Remuneration Report;
  - (iv) the Auditor's Report;
  - (v) the appointment and/or reappointment of Directors;
  - (vi) the appointment or reappointment of the Auditor;
  - (vii) a motion for a resolution contained in a Members' Notice received by the Society under Rule 12.3;
  - (viii) any other business brought before the meeting by the Board, which may include a motion for a resolution; and
  - (ix) any other urgent business brought before the meeting by its chairman.

## 12.2 Special General Meetings

- (a) All general meetings of the Society other than Annual General Meetings shall be called "Special General Meetings".
- (b) The Board may, whenever it thinks fit, convene a Special General Meeting (either as a physical Special General Meeting and/or an Electronic General Meeting).
- (c) (i) The Board shall, on a Members' requisition, convene a Special General Meeting as soon as practicable.

- (ii) A Members' requisition is a requisition of 250 Members, each of whom are entitled to be present and vote at any general meeting of the Society.
- (iii) The requisition must state the objects of the meeting, and must be signed by the requisitioners and deposited at the Registered Office. The requisition may consist of several documents in similar form, each signed by one or more requisitioners.
- (iv) If the Board does not convene a meeting within 28 days from the date of the deposit of the Members' requisition, the requisitioners (or any of them representing more than one half of all of them) may convene a Special General Meeting themselves on up to five months' notice.
- (v) A meeting convened by requisitioners under this Rule 12.2(c) shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by the Board.
- (vi) The Society shall reimburse the requisitioners for any reasonable expenses incurred by them as a result of the Board's failure to convene a meeting. In order to make the reimbursement, the Society shall retain any fees or other remuneration due to the Directors whose default led to the Board's failure to convene a meeting.
- (d) No business shall be conducted at any Special General Meeting except that determined by the Board or, if the meeting is convened as a result of a Members' requisition, stated in the Members' requisition. The business to be conducted at a Special General meeting shall be stated in the notice convening the meeting.
- (e) Except where the requisitioners themselves convene a Special General Meeting under Rule 12.2(c)(iv), Special General Meetings shall be held at the time and place and in such manner (either as a physical Special General Meeting and/or an Electronic General Meeting) as determined by the Board.

### 12.3 Notice of meetings

- (a) At least 20 Working Days' notice of every general meeting of the Society shall be given to Members.
- (b) The notice shall specify:
  - (i) the hour, date and place of the meeting;
  - (ii) whether the meeting will be a physical general meeting and/or an Electronic General Meeting;
  - (iii) if the meeting is to be an Electronic General Meeting, the Electronic Platform(s) of the general meeting and reasonable details as regards access to the same for Members;
  - (iv) the nature of any resolution to be moved at the meeting and of the other business to be conducted at the meeting; and
  - (v) the full name of each candidate for election as a Director.
- (c) The notice shall state that:

- (i) a Member entitled to attend and vote at the general meeting may appoint a proxy to attend and, on a poll, vote at the meeting instead of him or her;
  - (ii) the proxy need not be a Member;
  - (iii) the Member may direct the proxy how to vote at the meeting; and
  - (iv) instruments for the appointment of proxies shall be made available to Members by the Secretary from the Registered Office, if not enclosed (or attached in the case of notice by email) or available with the notice of the meeting.
- (d) The Annual General Meeting or the Special General Meeting (as applicable) shall be described as such in the notice of meeting.
- (e) Notice of a general meeting shall be sent to each Member who is entitled to vote at the meeting, such notice is to be sent either by post to the last address known to the Society of each such Member or, where a Member has provided the Society with his or her email address, by email to the last email address notified to the Society by each such Member, provided that the accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any such Member shall not invalidate the proceedings at that meeting.
- (f) For the purposes of the following paragraphs of this Rule the following expressions shall have the following meanings:
- "Requisite Number" means 250; and
- "Members' Notice" means a notice given to the Society:
- (i) in writing (whether such notice consists of one or more documents);
  - (ii) by at least the Requisite Number of Members entitled to attend and vote at general meetings of the Society,
- of their intention to propose a resolution that is specified in the notice, either as a Special Resolution or an Ordinary Resolution, at an Annual General Meeting.
- (g) If the Society receives a Members' Notice the Board shall, subject to Rules 12.3(h) and 12.3(i):
- (i) include in the notice of the Annual General Meeting a notice specifying the intention to propose the resolution at that meeting and, if applicable, the intention to propose it as a Special Resolution; and
  - (ii) at the request of the Members proposing the resolution, enclose, with notice of that meeting, a copy of any statement of not more than 100 words about the proposed resolution (a "Resolution Statement").
- (h) The Board shall not be obliged to include a Members' Notice in the notice of the Annual General Meeting or to enclose a Resolution Statement with the notice of the meeting unless:
- (i) the Members' Notice (or the last of the documents sufficient to enable it to comply with the requirements of Rule 12.3(f)(ii)) and any Resolution

Statement are received by the Society on or before the 15 March immediately preceding the Annual General Meeting at which the resolution is intended to be proposed;

- (ii) the resolution and the Resolution Statement both relate directly to the affairs of the Society;
- (iii) the resolution specified in the Members' Notice is substantially different from any resolution that has been defeated at a meeting during any of the previous three financial years.

- (i) The Board shall also not be obliged to include a Members' Notice in the notice of an Annual General Meeting or to include a Resolution Statement in the notice of the meeting if the rights conferred by Rule 12.3(g) are being abused to seek needless publicity for defamatory matter or for frivolous or vexatious purposes.

#### 12.4 Quorum at general meetings

- (a) No business shall be considered at any Annual General Meeting or Special General Meeting unless a quorum is present. A quorum shall consist of 30 Members entitled to vote at the meeting present in person or by proxy.
- (b) If no quorum shall be present within half an hour after the time appointed for an Annual General Meeting or Special General Meeting, or if during the meeting a quorum ceases to be present, the chairman of the meeting shall adjourn it to such hour, date and place as he shall direct, unless it is a Special General Meeting requisitioned under Rule 12.2(c), whereupon the chairman of the meeting shall dissolve it.

#### 12.5 Procedures at general meetings

- (a) The Chairman of the Board shall preside at any general meeting of the Society. If he or she is unavailable, the Senior Independent Director or such other person as the Board may select, shall preside.
- (b) In the circumstances of an Electronic General Meeting:
  - (i) the Members or their proxies present in person or by means of the Electronic Platform(s) shall be counted in the quorum for, and entitled to vote at, the general meeting in question, and that meeting shall be duly constituted and its proceedings valid if the chair of the general meeting is satisfied that adequate facilities are available throughout the Electronic General Meeting to ensure that Members attending the Electronic General Meeting who are not present together at the same place may attend and participate in the business of the general meeting;
  - (ii) if it appears to the chair of the general meeting that the Electronic Platform(s) that facilities or security at the Electronic General Meeting have become inadequate for the purposes referred to in Rule 12.5(b)(i), then the chair may, without the consent of the meeting, interrupt or adjourn the general meeting; and
  - (iii) All business conducted at that general meeting up to the time of that adjournment shall be valid and the provisions of Rules 12.5(d), (e), (f), (g), (i) and (n) shall apply to that adjournment. In relation to an Electronic General

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

- (c) If, within 15 minutes after the time appointed for holding the meeting, no person entitled under Rule 12.5(a) to preside is present, the Members present and entitled to vote shall choose one of their number to be chairman of the meeting.
- (d) The chairman of the meeting may, notwithstanding the presence of a quorum (and shall, if so directed by a resolution of the meeting), adjourn the meeting from time to time and from place to place but no business shall be conducted at any adjourned meeting other than the business adjourned at the original meeting.
- (e) No business shall be conducted at any meeting of the Society after the meeting has been adjourned and if any business is attempted to be conducted at the meeting it shall be null and void.
- (f) Every adjourned meeting of the Society shall be deemed a continuation of the original meeting but any resolution passed at an adjourned meeting shall be treated for all purposes 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.
- (g) When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be advertised as if it were a new meeting but, other than this requirement, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- (h) Subject to the Relevant Legislation and these Rules, every question submitted to an Annual General Meeting or Special General Meeting shall be decided by a simple majority and votes shall be taken in the first instance by a show of hands and/or other individual voting by means of the Electronic Platform(s) (as applicable).
- (i) A poll may (before or on the declaration of the result of the show of hands and/or other individual voting by means of the Electronic Platform(s) (as applicable)) be demanded by:
  - (i) the chairman of the meeting; or
  - (ii) twenty Members who are entitled to vote on the resolution and who are present in person, by proxy, by attorney or by representative,and the poll shall be taken in accordance with Rule 12.5(n). No poll shall be permitted on a resolution to appoint a chairman of a meeting or as to whether the meeting should be adjourned. A poll demanded on any other question shall not prevent the continuance of a meeting for the transaction of any other business.
- (j) Unless a poll is demanded, a declaration by the chairman of the meeting and an entry to that effect in the minutes of the meeting that a resolution on a show of hands and/or other individual voting by means of the Electronic Platform(s) (as applicable) has been carried, carried unanimously, carried by a particular majority, or lost or not carried by a particular majority shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of, or against, the resolution.

- (k) If a Special Resolution is to be put to the vote or there is a contest for a post of Director or Auditor, a poll shall be deemed to have been demanded by the chairman of the meeting.
- (l) The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman of the meeting. A demand so withdrawn shall not invalidate the result of a show of hands and/or other individual voting by means of the Electronic Platform(s) (as applicable) declared before the demand for a poll was made.
- (m) The demand for a poll which is deemed to have been made by the chairman of the meeting under Rule 8.11(d) may not be withdrawn under Rule 12.5(l).
- (n) A poll, if duly demanded in accordance with Rule 12.5(i), shall be taken at the meeting at which the poll is demanded or if the chairman of the meeting so decides, at an adjourned meeting and, in either case, in the manner that the chairman directs. The result of the poll shall be deemed to be the resolution of the meeting or adjourned meeting at which the poll was taken. The chairman may, in the event of a poll, appoint the scrutineers (who need not be Members) 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.
- (o) Voting papers to be used on a poll shall be valid only if they are issued by the Society.
- (p) The Secretary shall ensure that minutes are kept of each general meeting of the Society and that they are available for inspection by any Member at all reasonable hours at the Registered Office.

## 12.6 Entitlement of Members to attend and vote at meetings

- (a) Every Member aged 18 or over whose name was on the Register on the first day of the month before the month in which notice is given of a general meeting of the Society and who is not disqualified by arrears or otherwise as mentioned in these Rules is entitled to attend at the general meeting and cast one vote on each resolution. When the votes are equal, the chairman of the meeting shall have an additional or casting vote except on a resolution to appoint a Director, where the procedure described in Rule 8.11(d)(vii) will be used.
- (b) The holder of a power of attorney given to him or her by a Member who is entitled to vote under Rule 12.6(a) shall be entitled to vote in all circumstances as if he or she were a Member and in the Member's place if the power of attorney is registered at the Registered Office and authorises the holder to exercise the rights of the Member under the Rules (whether or not expressly). A holder of a power of attorney shall not be entitled to appoint a proxy or an attorney.
- (c) A Member who is entitled to vote under Rule 12.6(a), 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, curator bonis or other representative appointed by that court. Any such receiver, curator bonis or other representative may vote either on a poll (by way of a show of hands and/or other individual voting by means of the Electronic Platform(s) (as applicable)) or by a 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 two clear days before the voting date, failing which he or she may not vote.

## 12.7 Appointment of a proxy

- (a) A Member entitled to attend and vote at a general meeting of the Society:
  - (i) may appoint one person (whether a Member or not) as his or her proxy to attend and, on a poll, to vote at the meeting in his or her place; and
  - (ii) may direct the proxy how to vote at the meeting.
- (b) The instrument appointing a proxy or a representative shall be deposited at such address within the United Kingdom as may be stipulated in the notice of the meeting (or, if no such address is stipulated, at the Registered Office) not less than 48 hours before the day appointed for holding the meeting or adjourned meeting (for the purposes of this Rule 12.7, the "final date"). Failure to comply with this Rule 12.7(b) shall render the instrument invalid.
- (c) An instrument appointing a proxy shall be in such form (if any) as may be required by the Relevant Legislation and, subject to any such requirement, shall be in the form decided by the Board provided that such form shall not restrict the manner in which the person appointing the proxy may direct him or her to vote.
- (d) The instrument appointing a proxy shall confer authority to demand or join in the demand for a poll on any resolution proposed at the meeting and to speak on any resolution proposed at the meeting.
- (e) The instrument appointing a proxy or a representative may, where notice of the general meeting is provided by email, be provided by way of email attachment such that the same may be completed and returned to such return email address as the Board may stipulate by the Member and that return of the instrument shall be deemed to be deposited for the purposes of Rule 12.7(b).
- (f) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding:
  - (i) the previous death or mental disorder of the appointer or revocation of the proxy or of the authority under which the proxy was executed, provided that no intimation in writing of such death, mental disorder, revocation or transfer 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;
  - (ii) that since final date the appointer has ceased to be entitled to attend and vote at the meeting.
- (g) If a Member who is entitled at the final date to attend and vote at the meeting appoints a proxy to vote instead of him or her and then ceases after the final date to be entitled to attend and vote, the person appointed as a proxy may nevertheless act as that Member's proxy at the meeting.

## 13. DISPUTES

If any Dispute arises between a Member (or a person claiming through a Member or under the Rules) or any person aggrieved who has ceased to be a Member (or any person claiming through such person aggrieved) on the one hand and the Society or any officer of the Society on the other hand, in relation to these Rules (as against a Policy) then the

Dispute shall be decided by a single arbitrator who shall be appointed by agreement between the parties to the Dispute or, if they cannot agree, by the President for the time being of the Law Society or, where both parties to the Dispute agree, by the County Court. Any decision made by an arbitrator may include a direction as to the payment of the costs incurred by the Society and other parties to the Dispute and as to the payment of the arbitrator's fees and shall be binding on the parties to the fullest extent permitted by law.

#### **14. COMPLAINTS**

14.1 The Board may from time to time:

- (a) establish and amend such procedures as it may think fit; or
- (b) accede to any scheme or schemes,

for the investigation and resolution of complaints by Members or other persons whom the Board considers to have a sufficient interest in the Society's business or activities to justify the investigation of the complaint. Such complaints may relate to any aspect of the Society's business or activities. Nothing in this Rule 14 shall prevent a Member who makes a complaint to the Society utilising the disputes procedure set out in Rule 13 or from referring a complaint to the ombudsman scheme referred to in s 80(1A) of the 1992 Act.

14.2 The Board shall provide, free of charge, written details of any procedure or scheme from time to time in force under this Rule 14 to any Member or other person requesting them, provided that any such other person has an interest as specified in Rule 14.1.

#### **15. DISSOLUTION, WINDING-UP AND DISTRIBUTION OF SURPLUS ASSETS**

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

15.2 Upon the Society's 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 ss 19 to 24 of, and Schedule 10 to, the 1992 Act, and the amount of each Member's share shall be in the same proportion as that Member's financial interest in the Society, or as the case may be, in any sub-funds of the Society (each as determined having regard to the advice of the Actuary) bears to the total assets of the Society, or as the case may be to the amount of the relevant sub-fund.

#### **16. NOTICES**

All summonses and notices shall be deemed to have been duly served if they are:

- (a) addressed to the Member, Director or other person for whom they are intended at his or her last known address; and
- (b) delivered at, or sent by post to, that address; or
- (c) sent to an electronic address notified to the Society by the Member or Director.



**17. COPIES OF MEMORANDUM AND RULES**

The Society shall give any person who requests it a copy of the Memorandum and the Rules.

**18. ALTERATION OF MEMORANDUM AND RULES**

18.1 The Memorandum or Rules may be altered by a resolution passed by at least a two thirds majority of the votes cast at a general meeting of the Society by the addition, rescission or variation of any provision, subject to any prohibition or requirement contained in the Relevant Legislation.

18.2 No alteration of the Society's Memorandum or Rules shall take effect until such alteration is registered in accordance with paragraph 6 of Schedule 3 to the 1992 Act, or until such later date as is specified in the record of alteration.

**19. CHANGE IN REGISTERED OFFICE**

The Board may, subject to the requirements of paragraph 12 of Schedule 3 to the 1992 Act, change the Registered Office to such place within the United Kingdom as the Board may decide from time to time.

**20. APPLICABLE LAW**

The law applying to contracts of insurance entered into pursuant to the Rules shall be English law. This is subject to any mandatory requirements imposed by the law of a member state of the European Union.

# Notes

**For further information or to request a copy in Braille, large print or audio please:**

- **call us on 0333 014 6244 8am-6pm  
Monday to Friday excluding bank holidays; or**
- **email us at [info@nationalfriendly.co.uk](mailto:info@nationalfriendly.co.uk)**

**Document created 30<sup>th</sup> June 2022**

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