

2022 Annual General Meeting – proposed changes to the Rules of the Society

Resolution 3 – To approve changes to the Society’s Rules enabling attendance to Annual General Meetings to be either electronic or in person, as well as notices by email and electronic Board meetings, as set out in the proposed new Memorandum and Rules available to members in tracked changes upon request.

You are asked to approve Rule changes that the Board has proposed and that the Financial Conduct Authority has, on a preliminary basis in advance of approval by the membership, approved in principle. In order to effect these changes, two thirds of members voting on this Resolution must vote in favour and the new Rules of the Society, together with the unchanged Memorandum of the Society, must thereafter be formally registered with the Financial Conduct Authority.

Three particular changes (providing for electronic general meetings, notices by email and electronic Board meetings) have been proposed to help modernise and improve the efficiency and operation of the Society’s governance arrangements. These are now being submitted to members for approval at the 2022 AGM.

As the changes include the insertion of new additional Rules and a number of consequential amendments throughout, the Board proposes that the changes be made by rescinding the previous version of the Society’s Memorandum and Rules (which comprises a single document dated 28th September 2017) and replacing it with a complete new document comprising the Memorandum (without change) and a new set of Rules including the changes appearing as marked amendments set out in the tracked changes version of the Society’s Memorandum and Rules made available to members. This is known as a complete alteration (rather than a partial amendment) and it will be dated and become effective upon the new Memorandum and Rules being registered with the Financial Conduct Authority if and when approved by membership vote at the 2022 AGM.

The full copy of the proposed new Memorandum and Rules and a tracked changes version of the previous version dated 28th September 2017 showing the changes being proposed can be viewed on our website at www.nationalfriendly.co.uk/agm or you can request an electronic or printed copy of the proposed Rules by emailing agm@nationalfriendly.co.uk or by writing to The Secretary, National Friendly, 11–12 Queen Square, Bristol BS1 4NT.

Rule changes to enable virtual general meetings of the Society

It is proposed that new Rule (12.5(b)) be added to enable the Society to hold virtual (or “electronic”) general meetings. In addition, two new defined terms (“Electronic General Meeting” and “Electronic Platform”) have been included in Rule 1.1 to aid interpretation. The intention is to allow members to participate in general meetings fully without needing to be physically present, and without the Society needing to rely on enabling legislation being passed to allow such meetings to be held validly (as was the case in response to the pandemic in 2020). The Board retains the discretion to call a physical general meeting if it wishes and the Rule changes also allow hybrid meetings to be held (where members can attend either in person or electronically). The Board believes that these Rule changes will provide greater flexibility for more of our members to participate in meetings, now that technological advances enable fully virtual meetings to be held. The Society’s AGM partner has developed an interactive solution that will enable members to participate in future AGMs from their homes, irrespective of any travel or meeting restrictions that may apply at the time of the meeting with consequential cost and carbon footprint savings for all concerned. In addition to the new Rule 12.5(b) and the new defined terms at Rule 1.1, there are a number of minor consequential amendments proposed to facilitate this change (at Rule 12.1(b) & (c), Rule 12.2(b) & (e), Rule 12.3(b), (c) & (d), Rule 12.5(j) & (l) and Rule 12.6(c)).

Rule changes to permit the Society to give electronic notice of general meetings

It is proposed that Rule 12.3(e) be changed to enable the Society to formally notify members who have provided the Society with their email addresses of general meetings by email. Members who have not provided email addresses to the Society will continue to be notified of general meetings by post but the Society can make considerable cost savings by providing electronic notices to members who have provided their email addresses to the Society. A further consequential amendment (inserting new Rule 12.7(e)) has been necessary to enable forms of proxy to be provided by way of email attachment where electronic notice of a general meeting is given.

Rule changes to allow for virtual Board and committee meetings

A new Rule 8.15(a)(iv) is proposed to make it clear that the Society's Board of Directors may meet virtually (i.e. "electronically") by telephonic or video conference. Generally, Board meetings are to be conducted as the Board may determine but this new Rule is intended to help clarify that electronic meetings are indeed permitted. In addition, as Board procedures apply to Board committee meetings in consequence of Rule 8.1(e), this clarification will apply to such Board committee meetings.

Rule changes to make minor corrections

Whilst working through the Society's Rules for the purposes of the above Rule changes, the Board has noted a number of minor discrepancies within the current Rules which it recommends be rectified. These are not material changes at all but do appear to merit rectification. The changes in prospect are:

the addition of "or" within Rule 3.2(a); the change of "director" to "Director" in Rules 8.2(c), 8.9(a)(iii) and 8.9(b); the change of "advertisement" to "notice" in Rule 12.3(i); the correction of a cross reference in Rule 12.5(m); and the addition of "or Director" in Rule 16(c).