

**All previous Rules rescinded**

**RULES**

of

**UIA (INSURANCE) LIMITED**

Registered under the Industrial and Provident Societies Acts,  
1965 to 2002

Register No: 2898R

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## **Interpretation**

1. In these Rules, except where the context otherwise requires, the following expressions have the following meanings respectively:

**"1985 Act"** means the Companies Act 1985.

**"2006 Act"** means the Companies Act 2006.

**"Acts"** means, subject to Rule 2, the Industrial and Provident Societies Acts 1965 to 2002.

**"Authority"** has the meaning given in the Acts.

**"Bankruptcy Order"** is (i) as defined in Section 381(2) of the Insolvency Act 1986; or (ii) any analogous procedure or step in any jurisdiction other than the United Kingdom.

**"Board"** means the board of Directors of the Society.

**"Charitable Foundation"** means the UIA Charitable Foundation, a charitable trust established by a trust deed dated 3 December 1999 (as amended on 16 March 2000) with registered charity number 1079982.

**"Director"** means a director of the Society.

**"Electronic Address"** has the same meaning as in the 2006 Act.

**"Electronic Form"** has the same meaning as in the 2006 Act.

**"Electronic Means"** has the same meaning as in the 2006 Act.

**"General Meeting"** means an annual general meeting or a Special General Meeting of the Society.

**"Managing Director"** means the managing director for the time being of the Society.

**"Member"** has the meaning given in Rule 15, or as elected by or replacing such person pursuant to Rules 18 and 19.

**"Ordinary Share"** means an ordinary share of 1p in the Society.

**"Policyholder"** means a person holding, by himself or jointly, one or more policies of insurance underwritten by the Society.

**"Poll"** means a procedure for voting at General Meetings which allows a duly appointed proxy to cast a vote on behalf of the Member appointing him.

**"Retail Prices Index Figure"** means the monthly figure given by the General Index of Retail Prices in the Monthly Digest of Statistics published in the United Kingdom by the Office for National Statistics or, if that monthly figure should cease for any reason to be published in the United Kingdom, such other figure, issued or caused to be issued from time to time by central government in the United Kingdom, as may be commonly used in place of that monthly figure for the purposes for which that monthly figure was previously used.

**"Secretary"** means the secretary for the time being of the Society.

"**Society**" means UIA (Insurance) Limited.

"**Society's Database**" means the Society's record of Policyholders.

"**Special General Meeting**" means a General Meeting of the Society which is not an annual general meeting.

"**Subsidiary Undertaking**" of the Society means any body corporate (i) in which the Society holds the majority of the voting rights; (ii) in which the Society is a member, and has the right to appoint or remove the majority of its board of directors; (iii) in which the Society is a member, and controls alone, pursuant to an agreement with other members, a majority of the voting rights in it; or (iv) which is a subsidiary of a body corporate which is a Subsidiary Undertaking of the Society.

2. A reference in these Rules to any primary or delegated legislation or legislative provision includes a reference to any modification or re-enactment of it for the time being in force.
3. In these Rules, unless the context otherwise requires:
  - (a) words in the singular include the plural and vice versa;
  - (b) words importing any gender include all genders; and
  - (c) a reference to a person includes a reference to a body corporate and to an unincorporated body of persons.
4. In these Rules:
  - (a) references to writing include references to typewriting, printing, lithography, photography and any other modes of representing or reproducing words in a legible and non-transitory form, but, except where the context otherwise requires, shall not include communications in Electronic Form;
  - (b) references to "other" or "otherwise" shall not be construed eiusdem generis where a wider construction is possible; and
  - (c) references to a power are to a power of any kind, whether administrative, discretionary or otherwise.
5. The headings are inserted for convenience only and do not affect the construction of these Rules.

#### **Name and Object**

6. The Society shall be called "UIA (Insurance) Limited", and its object is to carry on the business of any form of insurance as may be determined by the Board.
7. Except as expressly prohibited in these Rules, the Society shall have the power to do anything that a natural or corporate person can lawfully do which the Board determines is necessary or expedient to achieve its object, including the powers:
  - (a) to carry on, form or promote or assist in forming or promoting any other business, corporation or activity which may seem to the Board capable of being carried on directly or indirectly for the benefit of the Society. The Society may hold shares or

any other securities or interests in any such corporation and dispose of such shares, securities or interests;

- (b) to acquire by any means any real or personal property or rights whatsoever and to use, exploit and develop the same;
- (c) to conduct, promote and commission research and development in connection with any activity or proposed activity of the Society, and to apply for and take out, purchase or otherwise acquire any patents, patent rights, inventions, secret processes, designs, copyrights, trade marks, service marks, commercial names and designations, know-how, formulae, licences, concessions and the like (and any interest in any of them) and any exclusive or non-exclusive or limited right to use, and any secret or other information as to, any invention or secret process of any kind; and to use, exercise, develop, and grant licences in respect of, and otherwise turn to account and deal with, the property, rights and information so acquired;
- (d) to acquire by any means the whole or any part of the assets, and to undertake the whole or any part of the liabilities, of any person carrying on or proposing to carry on any business or activity which the Society is authorised to carry on or which can be carried on in connection therewith, and to acquire an interest in, amalgamate with or enter into any arrangement for sharing profits, or for co-operation, or for limiting competition, or for mutual assistance with, any such person and to give or accept, by way of consideration for any of the acts or things aforesaid or property acquired, any property or rights that may be agreed upon;
- (e) to subscribe for, underwrite, purchase or otherwise acquire, and to hold, and deal with, any shares, stocks, debentures, bonds, notes and other securities, obligations and other investments of any nature whatsoever and any options or rights in respect of them; and otherwise to invest and deal with the money and assets of the Society;
- (f) to lend money and give credit to any person in such amounts and on such terms (whether as to interest, security or otherwise) as the Board may consider appropriate;
- (g) to borrow money, obtain credit and receive moneys by way of taking deposits from Members and others and raise finance in such amounts and on such terms as the Board may consider appropriate and secure the repayment thereof by mortgages or other charges on any of the Society's property, provided that the amount of money outstanding at any one time shall not exceed £5 million (as increased at the beginning of each month from the date on which these Rules are adopted to reflect changes in the Retail Prices Index Figure);
- (h) to receive from any persons donations towards the Society's business;
- (i) to provide any guarantee or indemnity in respect of the performance or discharge of any obligation or liability by, or otherwise for the benefit of, any person;
- (j) to draw, make, accept, endorse, discount, negotiate, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments;
- (k) to apply for, promote and obtain any Act of Parliament, charter, privilege, concession, licence or authorisation of any government, state, department or other authority (international, national, local, municipal or otherwise) for enabling the Society to

carry its object into effect or for extending any of the Society's powers or for effecting any modification of the Society's constitution, or for any other purpose which may seem expedient, and to oppose any actions, steps, proceedings or applications which may seem calculated directly or indirectly to prejudice the interests of the Society or of its members;

- (l) to enter into any arrangements with any government, state, department or other authority (international, national, local, municipal or otherwise), or any other person, that may seem conducive to the Society's object and to obtain from any such government, state, department, authority, or person, and to carry out, exercise and exploit, any charter, contract, decree, right, privilege or concession which the Board may think desirable;
- (m) to do all or any of the following, namely -
  - (i) to establish, provide, carry on, maintain, manage, support, purchase, contribute (in cash or in kind) to and discontinue any pension, superannuation, retirement, redundancy, injury, death benefit or insurance funds, trusts, schemes or policies for the benefit of, and to give or procure the giving of pensions, annuities, allowances, gratuities, donations, emoluments, benefits of any description (whether in kind or otherwise), incentives, bonuses, assistance (whether financial or otherwise) and accommodation in such manner and on such terms as the Society thinks fit to, and to make payments for or towards the insurance of,-
    - (1) any individuals who are or were at any time in the employment of, or directors or officers of (or held comparable or equivalent office in), or acted as consultants or advisers to or agents for -
      - a. the Society or any company which is or was a Subsidiary Undertaking of the Society;
      - b. any person to whose business the Society or any Subsidiary Undertaking of the Society is, in whole or in part, a successor directly or indirectly; or
      - c. any person otherwise allied to or associated with the Society;
    - (2) any other individuals whose services have been of benefit to the Society or who the Board considers have a moral claim on the Society; and
    - (3) any member of the family (including a spouse, civil partner, former spouse, former civil partner, widow or widower) of, or any person who is or was dependent on, any such individuals as aforesaid; and
  - (ii) to establish, provide, carry on, maintain, manage, support, provide financial or other assistance to and terminate welfare, sports and social facilities, associations, clubs, funds and institutions which the Board considers likely to benefit or further the interests of any of the aforementioned individuals, spouses, civil partners, former spouses, former civil partners, widows, widowers, families and dependants;

- (n) to act as managers, providers, trustees or secretaries of or as nominees for the managers, providers, trustees or secretaries of any pension scheme, life assurance scheme, permanent or other health insurance scheme or any person. The Society may undertake the office and duties of and exercise powers conferred by law or by deed on trustees, executors, administrators, attorneys and the like;
- (o) to subscribe or contribute (in cash or in kind) to, and to promote or sponsor, any charitable, benevolent or useful object of a public character or any object which the Board considers may directly or indirectly further the interests of the Society, its employees or its Members and to distribute to the Charitable Foundation in kind any assets of the Society;
- (p) to promote any other society or entity for the purpose of acquiring all or any of the property, or undertaking any of the liabilities, of the Society, or both, or of undertaking any business or activity which may appear likely to assist or benefit the Society, and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares, debentures or other securities of any such society or entity as aforesaid;
- (q) to dispose by any means of the whole or any part of the assets of the Society or of any interest therein;
- (r) to enter into partnership or into any arrangement for sharing profits or interest, joint venture, reciprocal concession or co-operation or otherwise with any person carrying on or engaged in, or about to carry on or engage in, any business or transaction that the Society is authorised to carry on or engage in or for any purpose that the Directors consider to be in the Society's interests. The Society may also take or otherwise acquire and hold shares or other securities of and subsidise or otherwise assist any such person. The Society may also make and carry out arrangements for giving the Society the entire or partial control or management or benefit of the business of any such person. The Society may also guarantee capital, principal, premiums, interest, dividends and other money secured by or payable under or in respect of any mortgages, bonds, obligations or securities of any such person;
- (s) to obtain and maintain insurance against risks and liabilities of all kinds;
- (t) to obtain reinsurance against any risks insured by the Society;
- (u) to pay, satisfy or compromise any claims against the Society in respect of any policies or other contracts granted by, dealt in or entered into by the Society. The Society may decide to pay, satisfy or compromise any such claim even though the claim may not be valid in law or there may be a defect in the title of the claimant. The Society may also revive any policy that may have lapsed or become void in such cases and on such terms and conditions as the Directors decide, or, instead of reviving any such policy, the Society may grant any new policy or make any other concession in favour of the person or any of the persons entitled to the lapsed or void policy;
- (v) to vest any real or personal property, rights or interests acquired by or belonging to the Society in any person as trustee for or nominee of or otherwise on behalf of or for the benefit of the Society; and

- (w) to do all such other things as may be deemed, or as the Board considers, incidental or conducive to the attainment of the object or the above powers or any of them.

### **Office**

8. The registered office of the Society is Kings Court, London Road, Stevenage, Herts, SG1 2TP or such other place as the Board may resolve (the "**Registered Office**").
9. The Registered Office shall be open at such reasonable times as the Board may resolve.

### **Share Capital**

10. The capital of the Society shall consist of Ordinary Shares.
11. Each Ordinary Share held by any person who ceases to be a Member will be cancelled and the amount credited to, or paid up thereon, forfeited to the Society.
12. Save as provided in Rules 18, 19 and 20, Ordinary Shares shall not be withdrawable or transferable.

### **Allocation and Distribution of Profits**

13. Profits may be used in furthering the object and powers of the Society as set out in Rules 6 and 7 and/or to comply with Rule 20, in such manner and amount as the Board may determine at its discretion.
14. Any distribution of profits may be made to Members in such manner and amount as the Board may determine at its discretion.

### **Members**

15. Each Policyholder recorded in the Society's Database shall be a member of the Society ("**Member**"), registered as holding one Ordinary Share, from inception of the relevant policy, subject to Rule 17.
16. Unless a Policyholder is already a Member and is registered as holding a fully paid Ordinary Share at the time when the Society goes on risk under a policy, his Ordinary Share shall become fully paid up at par by applying 1p of the premium (or where more than one amount of premium falls to be paid, the first such amount) paid in respect of that policy.
17. No Member shall be registered as holding more than one Ordinary Share.
18. In relation to a Member's Ordinary Share:
- (a) and subject to the Acts, if a Member dies, his personal representatives shall be recognised by the Society as having title to his Ordinary Share for so long as a relevant policy is in force, and shall be the only persons so recognised; and
  - (b) if a Member has a Bankruptcy Order made against him, his trustees in bankruptcy shall be recognised by the Society as having title to his Ordinary Share for so long as a relevant policy is in force, and shall be the only persons so recognised.
19. A person becoming entitled to an Ordinary Share in consequence of death of a Member or a Bankruptcy Order being made against a Member may, upon such evidence being produced as the Directors may properly require, elect to have some other person nominated by him

registered as the holder of the Ordinary Share to which such person became entitled under Rule 15 by giving notice to the Society to that effect, subject to the requirement that such other person shall only be entitled to become the holder of such Ordinary Share if a policy issued to the original Member is still in force and such person also becomes holder of the relevant policy (save that such requirement shall not apply to the extent that it is inconsistent with Section 23(1) of the Industrial and Provident Societies Act 1965).

20. In the event of the Society being unable to trace a Member, the Ordinary Share held by such Member shall be forfeited and the amount treated as paid up on such Ordinary Share shall be transferred to the credit of the Society's reserves. Such forfeiture shall become effective at the expiry of 3 years from the first date on which any communication sent by the Society to the Member's last known address has been returned by reason of the new address being unknown, unless during that period the Member is traced by the Society to another address. Notwithstanding such forfeiture, each Member shall at any time have the right to claim repayment out of the Society's reserves of a sum equal to the total amount standing to his credit (including any allocation or distribution of profits made under Rule 14) at the date of such Member's forfeiture.
21. Each Member who became a Member on or before the date of adoption of these Rules is and will be deemed to have agreed that, in the event of the Society amalgamating with, or transferring its engagements to, another registered society (as defined in section 74 of the Industrial and Provident Societies Act 1965), or converting into, amalgamating with or transferring its engagements to, a company under the 1985 Act (or the 2006 Act if section 52 of the Industrial and Provident Societies Act 1965 is amended to refer to the 2006 Act) pursuant to sections 50 to 52 of the Industrial and Provident Societies Act 1965, or transferring its insurance business under Part VII of the Financial Services and Markets Act 2000, such Member will not be entitled to receive:
  - (a) any payment (in cash or in kind) by way of compensation for the loss of his voting rights;
  - (b) any payment (in cash or in kind) by way of compensation for the loss of the opportunity under Rule 14 to participate in respect of the Society's profits; or
  - (c) any other payment (in cash or in kind) referable to the loss of membership rights howsoever calculated,

since each such Member shall be deemed to have assigned to UIA any rights to receive any such payments. UIA shall hold such rights and all payments arising therefrom on trust for the Charitable Foundation absolutely.

22. On application, the Society shall supply free of charge to Members a copy of these Rules. Additional copies shall be sent upon payment of the statutory fee chargeable for the time being in force.

### **General Meetings**

23. The Society shall in each calendar year hold an annual general meeting of Members for the transaction of the following business:
  - (a) to receive the annual report of the Board, duly signed by at least 2 Directors and the Secretary;

- (b) to receive the auditors' report and the audited financial statements for the year ended 31 December last preceding the date of the meeting;
  - (c) to appoint auditors to hold office from the conclusion of the meeting until the conclusion of the next General Meeting at which accounts are laid;
  - (d) to elect members of the Board;
  - (e) to approve the Directors' fees;
  - (f) to authorise the Board to determine the remuneration payable to the Society's auditors; and
  - (g) to consider any other business.
24. The Board may call General Meetings.
25. Subject to Rules 28 and 29, on a requisition in accordance with Rules 26 and 27 of not fewer than 5 per cent of Members, the Board shall, at the cost of the requisitionists and within 28 days of receipt of such requisition, issue notice to convene a Special General Meeting for a date not more than 90 days after the date of deposit of such requisition.
26. Each Members' requisition shall state the objects of the meeting and shall be signed by the requisitionists and deposited at the Registered Office. Such requisition may consist of several documents in like form each signed by one or more requisitionists and each requisitionist shall state in the request his full name, address and client number.
27. Each Members' requisition shall nominate a number of the requisitionists (not exceeding 4) or a third party to act as agent for the requisitionists, with whom the Society may communicate on behalf of all the requisitionists, and shall specify a single address for communication with the requisitionists.

#### **Restrictions on Requisitions**

28. In respect of a requisition pursuant to Rule 25, the Board will not be required to consider such a request if it reasonably decides that:
- (a) the Special General Meeting's only purpose would be to deal with business that is the same as, or substantially the same as, business:
    - (i) that had been discussed or decided in the previous 3 years; or
    - (ii) that is to be discussed at another General Meeting to be held in the next 8 months; or
  - (b) the right to request a Special General Meeting is being used to seek publicity for defamatory matters or for frivolous or vexatious purposes.
29. If the Board reasonably decides that any (but not all) of the purposes stated in a request for a Special General Meeting pursuant to Rule 25 fall within Rule 28, the request (if it is otherwise valid) will be treated as valid only in relation to those purposes stated in it which do not fall within Rule 28.

### Notice of General Meetings

30. Notice of every annual general meeting shall be given by way of:
  - (a) an advertisement to be published not less than 84 days before the meeting on the Society's principal website specifying the date, time and place of the meeting and containing such information about the business to be transacted at that meeting as the Board considers appropriate and setting out the last date for submission to the Board of motions including nominations for election to the Board. For the avoidance of doubt, such advertisement need not contain the wording of any resolution proposed to be considered at the relevant annual general meeting; and
  - (b) a circular which shall be sent to Members not fewer than 21 clear days before the meeting. Such circular shall specify the date, time, place and business of the meeting and include the wording of any resolution requiring a majority of not less than 75 per cent of the Members voting in person or by proxy at a General Meeting.
31. Subject to Rule 32, notice of every Special General Meeting shall be given by way of a circular which shall be posted to Members not fewer than 21 clear days before the meeting. Such circular shall specify the date, time, place and business of the meeting and include the wording of any resolution requiring a majority of not less than 75 per cent of the Members voting in person or by proxy at a General Meeting.
32. Where the Society has given an Electronic Address in any notice of a General Meeting and has stated that such Electronic Address is being provided for such reason, any document or information relating to proceedings at that meeting may be sent by Electronic Means to that address, subject to any conditions or limitations specified in the relevant notice of the meeting.
33. The accidental omission, or failure due to circumstances beyond the Society's control, to give notice of a General Meeting to, or non-receipt of notice of a General Meeting by, any person entitled to receive such notice shall not invalidate the proceedings of that meeting.
34. The Board shall be entitled to consider whether to accept a request from Members that a motion be submitted to an annual general meeting only if a copy of such motion is received by the Secretary at the Registered Office not less than 56 days before the date of the meeting accompanied by written evidence that the submission of such motion is proposed by at least 1000 Members.
35. No motion may be submitted in advance of a Special General Meeting other than by the Board.
36. Each motion submitted pursuant to Rule 34 may consist of several documents in like form, each signed by one or more requestors, and each requestor shall state in the request his full name, address and client number.
37. Each motion submitted pursuant to Rule 34 shall nominate a number of the requestors (not exceeding 4) or a third party to act as agent for the requestors, with whom the Society may communicate on behalf of all the requestors, and shall specify a single address for communication with the requestors.
38. In respect of a request for a motion submitted pursuant to Rule 34, the Board will not be required to consider such a request if it reasonably decides that:

- (a) the motion's only purpose would be to deal with business that is the same as, or substantially the same as, business:
    - (i) that had been discussed or decided in the previous 3 years; or
    - (ii) that is to be discussed at another General Meeting to be held in the next 8 months; or
  - (b) the right to request submission of a motion is being used to seek publicity for defamatory matters or for frivolous or vexatious purposes.
39. If the Board reasonably decides that any (but not all) of the purposes stated in a request for motions to be submitted to an annual general meeting pursuant to Rule 34 fall within Rule 38, the request (if it is otherwise valid) will be treated as valid only in relation to those purposes stated in it which do not fall within Rule 38.
40. In respect of valid motions submitted to the Board pursuant to Rule 34, at the cost of those Members submitting such motions (to the extent that such cost increases the cost of preparing and circulating the circular under Rule 30(b)), it is the duty of the Board (subject to Rules 38 and 39):
- (a) to give all Members notice of any such motion, being lawful and within the object of the Society; and
  - (b) to circulate to all Members a statement of not more than 1000 words relating to such motion by the proposer(s) of that motion (or, at the discretion of the Board, by the persons nominated under Rule 37), provided that such statement is received by the Board at the Registered Office at least 10 clear days before the last date for sending the circular to Members under Rule 30(b),
- and the Board shall be entitled, at its sole discretion, to circulate to all Members a statement of the Board relating to any such proposed motions.
41. No amendment to a resolution which requires a majority of not less than 75 per cent of the Members voting in person or by proxy at a General Meeting may be considered by Members at a General Meeting unless the amendment is only to correct a clear error. No amendment to any other resolution may be considered unless such amendments are within the scope of the business of the meeting circulated pursuant to Rules 30(b) or 31 and:
- (a) the amendment is only to correct a clear error;
  - (b) written notice of the terms of the proposed amendment and of the intention to move the amendment have been deposited at the Registered Office at least 48 hours before the time for holding the General Meeting or the adjourned meeting at which the resolution in question is proposed; or
  - (c) the chairman of the General Meeting, in his absolute discretion, decides that the proposed amendment may be considered by Members at such General Meeting.
42. With the consent of the chairman of the relevant General Meeting, an amendment may be withdrawn by its proposer before it is voted on. If an amendment proposed to any resolution under consideration is ruled out of order by the chairman, the proceedings on the resolution shall not be invalidated by any error in the ruling.

### **Proceedings at General Meetings**

43. Members shall have the right to attend, to speak and to vote at General Meetings.
44. The chairman of any General Meeting shall be elected by the Board from its own members. In the absence of the nominated chairman, the Directors who are present at the General Meeting shall be entitled to nominate one of their number as chairman of the meeting.
45. No business shall be transacted at any General Meeting unless a quorum is present. The quorum at any General Meeting shall be 10 Members. If a quorum is not present within half an hour after the time appointed for holding the General Meeting, or if during a General Meeting a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such day, time and place as the Directors present at the General Meeting may determine. If at the adjourned General Meeting a quorum is not present within 15 minutes after the time appointed for holding the meeting, the meeting shall be dissolved.
46. The Board may direct that any person wishing to attend any General Meeting should submit to such searches or other security arrangements (including without limitation, requiring evidence of identity to be produced before entering the meeting and placing restrictions on the items of personal property which may be taken into the meeting) as the Board considers appropriate in the circumstances. The Directors may in their absolute discretion refuse entry to, or eject from, any General Meeting any person who refuses to submit to a search or otherwise comply with such security arrangements.
47. The Directors or the chairman of the General Meeting may take such action, give such direction or put in place such arrangements as they or he consider appropriate to secure the safety of the people attending the meeting and to promote the orderly conduct of the business of the meeting. Any decision of the chairman of the meeting on matters of procedure or matters arising incidentally from the business of the meeting, and any determination by the chairman of the meeting as to whether a matter is of such a nature, shall be final.
48. Without prejudice to any other power of adjournment he may have under these Rules or at law:
  - (a) the chairman may, with the consent of the relevant General Meeting at which a quorum is present (and shall if so directed by a majority of not less than 75 per cent of the Members voting in person or by proxy at the meeting), adjourn the meeting from time to time and from place to place but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the General Meeting had the adjournment not taken place; and
  - (b) the chairman of the General Meeting may, without the consent of the relevant General Meeting, adjourn the meeting before or after it has commenced, to another date, time or place which the chairman may decide, if the chairman considers that:
    - (i) there is not enough room for the number of Members and proxies who wish to attend the meeting;
    - (ii) the behaviour of anyone present prevents, or is likely to prevent, the orderly conduct of the business of the meeting; or

- (iii) an adjournment is otherwise necessary in order for the business of the meeting to be properly carried out.

When a General Meeting is adjourned for 14 days or more, at least 7 clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give notice of an adjourned meeting.

- 49. A Director shall, notwithstanding that he is not a Member, be entitled to attend and speak at any General Meeting.

### **Voting at General Meetings**

- 50. Every Member shall be entitled to one vote at a General Meeting, whether the voting be by show of hands or Poll. Members may vote personally or by proxy appointed in accordance with Rules 60 to 67. A Member which is a body corporate may, by resolution of its directors or other governing body, appoint a corporate representative to act as its representative at any General Meeting of the Society. Such corporate representative shall be entitled to exercise the same power on behalf of the body corporate as the body corporate could exercise if it were an individual Member of the Society, and the body corporate shall for the purposes of these Rules be deemed to be present in person at any General Meeting if a corporate representative so appointed is present at it.

- 51. Except where otherwise specified by these Rules or by the Acts, questions shall be resolved by a majority of those Members voting in person or by proxy at a General Meeting.

- 52. A resolution put to the vote of the General Meeting shall be decided on a show of hands unless before, or on the declaration of the result of the show of hands, a Poll is duly demanded. A Poll may be demanded by:

- (a) the chairman of the General Meeting; or
- (b) at least 5 Members in attendance at the General Meeting,

and a demand by a person duly appointed as proxy for a Member shall be the same as a demand by that Member.

- 53. Unless a Poll is duly demanded, a declaration by the chairman of the General Meeting that a resolution 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.

- 54. The demand for a Poll may, before the Poll is taken, be withdrawn but only with the consent of the chairman of the General 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.

- 55. A Poll shall be taken as the chairman of the General Meeting directs, and he may appoint scrutineers (who need not be Members) and fix a time and place for declaring the result of the Poll. The result of the Poll shall be deemed to be the resolution of the General Meeting at which the Poll was demanded.

56. In the case of an equality of votes cast at a General Meeting, whether on a show of hands or on a Poll, the chairman of the General Meeting shall be entitled to a casting vote in addition to any other vote he may have.
57. A Poll demanded on a question of adjournment shall be taken forthwith. A Poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman of the General Meeting directs, not being more than 30 days after the Poll is demanded. The demand for a Poll shall not prevent the continuance of a General Meeting for the transaction of any business other than the question on which the Poll was demanded. If a Poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
58. No notice need be given of a Poll not taken immediately if the time and place at which the Poll is to be taken are announced at the General Meeting in respect of which it is demanded. In any other case, at least 7 clear days' notice shall be given specifying the time and place at which the Poll is to be taken.
59. No objection shall be raised to the qualification of any voter or to the counting of, or failure to count, any vote, except at the General Meeting at which the vote objected to is tendered. Subject to any objection made in due time, every vote counted and not disallowed at the meeting shall be valid and every vote disallowed or not counted shall be invalid. Any objection made in due time shall be referred to the chairman of the General Meeting, whose decision shall be final and conclusive.

#### **Appointment of Proxies**

60. A Member may appoint a single proxy to attend at a General Meeting. Submitting an appointment of proxy shall not preclude a Member from attending and voting at the General Meeting or at any adjournment of it.
61. Subject to Rule 62, an appointment of proxy shall be in writing in any usual form or in any other form which the Directors may approve and shall be executed by or on behalf of the appointor.
62. The Directors may allow the appointment of a proxy to be sent or supplied in an Electronic Form subject to any conditions or limitations the Directors may specify, and where the Society has given an Electronic Address in any invitation to appoint a proxy, any document or information relating to proxies for the relevant General Meeting (including any document necessary to show the validity of, or otherwise relating to, the appointment of a proxy, or notice of the termination of the authority of a proxy) may be sent by Electronic Means to that address, subject to any conditions or limitations specified in the relevant notice of the meeting.
63. The Directors may, at the expense of the Society, send or make available invitations to appoint a proxy to the Members by post or by Electronic Means (with or without provision for their return prepaid) for use at any General Meeting. If invitations to appoint a proxy are issued at the Society's expense, they shall be issued to all (and not to some only) of the Members entitled to be sent a notice of the General Meeting and to vote at it. The accidental omission, or the failure due to circumstances beyond the Society's control, to send or make available such an appointment of proxy or give such an invitation to, or the non-receipt thereof by, any Member entitled to attend and vote at a General Meeting shall not invalidate the proceedings at that meeting.

64. The appointment of a proxy and any authority under which it is executed or a copy of the authority certified notarially or in some other way approved by the Directors may:
- (a) in the case of an appointment of proxy in writing, be deposited at the Registered Office or at such other place in the United Kingdom as is specified in the circular to Members convening the General Meeting, or in any appointment of proxy sent by the Society in relation to the General Meeting, not less than 48 hours before the time for holding the General Meeting at which the person named in the appointment of proxy proposes to vote;
  - (b) in the case of an appointment contained in an Electronic Form, be received at the address specified in:
    - (i) the circular convening the General Meeting;
    - (ii) any instrument of proxy sent out or made available by the Society in relation to the General Meeting; or
    - (iii) any invitation to appoint a proxy sent out or made available by the Society in relation to the General Meeting,not less than 48 hours before the time for holding the General Meeting at which the person named in the appointment of proxy proposes to vote;
  - (c) in the case of a Poll taken more than 48 hours after it was demanded, be deposited or received as aforesaid after the Poll has been demanded and not less than 24 hours before the time appointed for taking the Poll; or
  - (d) where the Poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the relevant General Meeting to the chairman of the General Meeting or to the Secretary or any Director,

and an appointment of proxy which is not deposited, delivered or received in a manner so permitted shall be invalid.

65. A vote given or Poll demanded by proxy shall be valid:
- (a) provided the person who appointed the proxy is a Member at the date of the General Meeting or adjourned General Meeting at which the vote is given or the Poll demanded, or (in the case of a Poll not taken on the same day as the General Meeting or adjourned General Meeting) at the time appointed for taking the Poll; and
  - (b) notwithstanding the previous determination of the authority of the person voting or demanding a Poll by the Member who has appointed such person as proxy pursuant to Rule 60, unless notice of the determination was received by the Society at the Registered Office, or at such other place at which an appointment of proxy may be duly deposited or the address where an appointment in Electronic Form may be duly received, before the commencement of the General Meeting or adjourned General Meeting at which the vote is given or the Poll demanded, or (in the case of a Poll not taken on the same day as the General Meeting or adjourned General Meeting) at the time appointed for taking the Poll.

66. Provided the person who appointed the proxy is a Member at the date of the relevant General Meeting or adjourned General Meeting, the appointment of a proxy to vote at a General Meeting shall be deemed also to confer authority to demand or join in demanding a Poll and to speak at the General Meeting (and for the purposes of these Rules a demand for a Poll made by a person as proxy for a Member shall be the same as a demand made by the Member).
67. Where 2 or more valid but differing appointments of proxy are received in respect of the same Ordinary Share for use at the same General Meeting, the one which is last sent shall be treated as replacing and revoking the other or others. If the Society is unable to determine which is last sent, the one which is last received shall be so treated. If the Society is unable to determine either which is last sent or which is last received, none of them shall be treated as valid in respect of that Ordinary Share.

#### **Powers of the Board**

68. The business of the Society shall be managed by the Board who, subject to the provisions of the Acts and these Rules and to any directions given by a resolution passed by a majority of not less than 75 per cent of the Members voting in person or by proxy at a General Meeting, may exercise all powers of the Society. No alteration of these Rules and no such direction 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. The powers given by this Rule shall not be limited by any special power given to the Board by these Rules and a meeting of the Board at which a quorum is present may exercise all powers exercisable by the Board.

#### **Composition of the Board**

69. The number of Directors shall not be more than 12:
- (a) no more than 3 of whom (including the Managing Director) at any one time shall be executive Directors who have been elected by the Board;
  - (b) no more than 4 of whom at any one time may be non-executive Directors who have been elected by the Board; and
  - (c) no more than 5 of whom at any one time may be non-executive Directors who have been elected by the Members at an annual general meeting.
70. The Managing Director shall be appointed pursuant to Rule 113.
71. A Director elected by the Board pursuant to Rules 78 or 113 shall retire from office at the next annual general meeting following such election. Such retiring Director shall be eligible for re-election.
72. Subject to Rule 73, at the annual general meeting in every year, all non-executive Directors who held office at the time of 8 previous (but not necessarily consecutive) annual general meetings shall retire from office and shall not be eligible for re-election.
73. At the annual general meeting in each of 2008 and 2009, all non-executive Directors who held office at the time of each of the 8 immediately preceding annual general meetings shall retire from office and shall be eligible for re-election.

74. Subject to Rule 72, at the annual general meeting in every year, all Directors who held office at the time of the 2 preceding annual general meetings and did not retire by rotation or pursuant to Rule 71 at either of those meetings shall retire from office by rotation. Subject to Rule 72, a retiring Director shall be eligible for re-election.
75. Subject to Rule 72, if the Society, at the annual general meeting at which a Director retires does not fill the vacancy, the retiring Director shall, if willing to act, be deemed to have been re-elected unless at the meeting it is resolved not to fill the vacancy or a resolution for the re-election of the Director is put to the meeting and lost.
76. No person other than a Director retiring at the meeting shall be elected or re-elected a Director at any annual general meeting unless:
  - (a) he is recommended by the Board; or
  - (b) in the case of a person proposed to be elected as a Director under Rule 79, a valid request to submit a motion to an annual general meeting under Rule 34 was made.
77. At an annual general meeting, each motion for the appointment of a person as a Director shall be made by way of a separate resolution and for the purposes of this Rule a motion for approving a person's election or for nominating a person for election shall be treated as a motion for his election.
78. The Board may elect a person who is willing to act as a Director either to fill a vacancy or as an additional Director, subject to the limitations and requirements of Rules 69(a), 69(b), 71, 72 and 74.
79. The Society may resolve at an annual general meeting to elect a person who is willing to act as a Director either to fill a vacancy or as an additional Director, subject to the limitations and requirements of Rules 69(c), 72 to 74 and 76 to 77.
80. Subject as aforesaid, a Director who retires at an annual general meeting may be re-elected. If he is not re-elected or deemed to have been re-elected, he shall retain office until the meeting elects someone else in his place, or, if it does not do so, until the end of the meeting.

#### **Age Limit**

81. Subject to The Employment Equality (Age) Regulations (SI 2006/1031), persons shall not be eligible for election or re-election as Directors if they have attained 70 years of age.

#### **Proceedings of the Board**

82. Subject to these Rules, the Board may regulate its proceedings as it sees fit.
83. The Directors may elect from their number, and remove, a chairperson and a vice-chairperson of the Board. The chairperson, or, in his absence, the vice-chairperson, shall preside at all meetings of the Board, but if there is no chairperson or vice-chairperson, or if at the meeting neither the chairperson nor the vice-chairperson is present within 5 minutes of the time appointed for the meeting, or if neither of the chairperson or the vice-chairperson is willing to act as chairperson, the Directors present may choose one of their number to be chairperson of the meeting.

84. A Director may, and the Secretary at the request of a Director shall, call a meeting of the Board. Subject to Rule 85, it shall not be necessary to give notice of a meeting to a Director who is absent from the United Kingdom.
85. If a Director gives notice to the Society of an address in the United Kingdom at which notice of meetings of the Board is to be given to him when he is absent from the United Kingdom, he shall, if so absent, be entitled to have notice given to him at that address; but the Society shall not be obliged by virtue of this Rule to give any Director a longer period of notice than he would have been entitled to had he been present in the United Kingdom at that address.
86. Questions arising at a Board meeting shall be decided by a majority of votes. In case of an equality of votes, the chairperson of the meeting shall have a second or casting vote.
87. A meeting of the Board may consist of a conference between Directors some or all of whom are in different places, provided that each Director who participates in the meeting is able:
- (a) to hear each of the other participating Directors addressing the meeting; and
  - (b) if he so wishes, to address each of the other participating Directors simultaneously,
- whether directly, by conference telephone or by any other form of communication equipment (whether in use when this Rule is adopted or developed subsequently) or by a combination of such methods. A quorum shall be deemed to be present if those conditions are satisfied in respect of at least the number and designation of Directors required to form a quorum. A meeting held in this way shall be deemed to take place at the place where the largest group of Directors is assembled or, if no such group is readily identifiable, at the place from where the chairperson of the meeting participates at the start of the meeting.
88. No business shall be transacted at any meeting of the Board unless a quorum is present. The quorum for a meeting of the Board shall be not less than 4 members of the Board and shall include at least one executive and 2 non-executive Directors. The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in their number, but, if the number of Directors is less than the number fixed as the quorum, the continuing Directors or Director may act only for the purpose of filling vacancies or of calling a General Meeting.
89. Without prejudice to Rule 82, meetings of the Board shall be held at such times and places as the Board shall, from time to time, decide but so that not fewer than 4 meetings are held in each calendar year.
90. A resolution in writing executed by all the Directors entitled to receive notice of a meeting of the Board or of a committee appointed pursuant to Rule 92(b) shall be as valid and effectual as if it had been passed at a meeting of the Board or (as the case may be) of that committee, duly convened and held, and may consist of several documents in the like form each executed by one or more Directors.
91. Subject to the provisions of these Rules, the Board shall have charge of the management of the business of the Society and may regulate its proceedings as it sees fit.

#### **Delegation of Directors' Powers**

92. The Board may delegate any of its powers:
- (a) to any Managing Director or any other Director; and

- (b) to any committee appointed by the Board.
93. Any such delegation under Rule 92 (which may include authority to sub-delegate all or any of the powers delegated) may be:
- (a) subject to any conditions the Directors impose;
  - (b) either collaterally with or to the exclusion of their own powers; and
  - (c) revoked or varied.
94. The power to delegate under Rule 92, being without limitation, includes power to delegate the determination of any fee, remuneration or other benefit which may be paid or provided to any Director, and the scope of the power to delegate under Rules 92(a) and 92(b) shall not be restricted by reference to or inference from the other of those paragraphs. Subject as aforesaid, the proceedings of any committee or agent with 2 or more members shall be governed by such of these Rules as regulate the proceedings of Directors so far as they are capable of applying.
95. Any committee appointed pursuant to Rule 92(b) shall consist of one or more Directors and (if thought fit) one or more other persons, but a majority of the members of the committee shall be Directors and no resolution of the committee shall be effective unless a majority of those present when it is passed are Directors.
96. The Directors may, by power of attorney or otherwise, appoint any person, whether nominated directly or indirectly by the Directors, to be the agent of the Society for such purposes and subject to such conditions as they think fit, and may delegate any of their powers to such an agent. The Directors may revoke or vary any such appointment or delegation and may also authorise the agent to sub-delegate all or any of the powers vested in him.

### **Removal and Resignation of Board Members**

97. The office of a Director shall be vacated if:
- (a) he becomes prohibited by law from being a director of any form of body corporate;
  - (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally;
  - (c) he is, or may be, suffering from mental disorder and either:
    - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1984; or
    - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of any person to exercise powers with respect to his property or affairs;
  - (d) he resigns his office by notice in writing to the Society;

- (e) in the case of a Director who holds an executive office, his appointment as such is terminated or expires and the Directors resolve that his office be vacated;
  - (f) in the case of a Director who holds an executive office, his service contract is terminated or expires and is not extended or renewed;
  - (g) he is absent on 3 consecutive occasions without permission of the Directors from meetings of the Board and the Directors resolve that his office be vacated; or
  - (h) a notice in writing is served upon him personally or at the address registered with the Society or at his residential address provided to the Society, signed by all other Directors for the time being to the effect that his office as Director shall, on receipt of such notice, be vacated (and such notice may consist of several documents in the like form, each executed by one or more Directors).
98. The Society may, by a resolution passed by a majority of the Members voting in person or by proxy at a General Meeting, remove a Director before the expiry of his period of office (but such removal shall be without prejudice to any claim of damages for breach of any contract of service between the Director and the Society) and, subject to these Rules, may, by a resolution passed by a majority of the Members voting in person or by proxy at a General Meeting, elect another person instead of him. A person so elected shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is elected was last elected or re-elected a Director (and Rules 69 to 80 shall be construed accordingly).
99. On receipt of notice of an intended resolution to remove a Director under Rule 98, the Society must forthwith send a copy of the notice to the Director concerned. The Director is entitled to be heard on the resolution at the relevant General Meeting.
100. Where notice is given of an intended resolution to remove a Director under Rule 98, and the Director concerned makes with respect to it representations in writing to the Society (not exceeding a reasonable length) and requests notification of such representations to the Members, the Society shall, unless the representations are received by it too late for it to do so:
- (a) in any notice of the resolution to be given to Members, state that the representations have been made; and
  - (b) at the cost of the Society, send a copy of the representations to every Member to whom notice of the General Meeting is to be sent.
101. Subject to Rule 102, if a copy of the representations referred to in Rule 100 is not sent as required by Rule 100 because it is received at a time which, in the Board's opinion, is too late to send to Members or because of the Society's default, the relevant Director may (without prejudice to his right to be heard orally) require that such representations shall be read out at the General Meeting at which the resolution to remove such Director is to be voted on.
102. Copies of the representations referred to in Rule 100 need not be sent to Members and the representations need not be read out at the General Meeting at which the resolution to remove the relevant Director is to be voted on if the Board, acting reasonably, is satisfied that the rights conferred by Rules 99 to 101 are being abused.

### **Expenses of the Board**

103. Directors shall be paid all reasonable travelling and other expenses necessarily incurred by them whilst engaged on the business of the Society.

### **Audit**

104. The Society shall appoint in each financial year one or more qualified auditors to audit the accounts in accordance with the requirements of the Friendly and Industrial and Provident Societies Act 1968 and any other relevant legislation. The provisions of that Act shall apply to the appointment, re-appointment and removal of the auditors and to any resolution removing them or appointing others in their place.

### **Annual Returns**

105. On application, the Society shall supply free of charge to Members, a copy of the latest annual return of the Society.

### **Accounts**

106. A copy of the audited account or accounts and balance sheets covering the period included in an annual return, and the report of the auditor on the balance sheet and accounts, shall be displayed in a conspicuous place at the Registered Office and on the Society's principal website.

### **Statutory Applications to the Authority**

107. Any 10 Members of the Society, each of whom has been a member of the Society for not less than 12 months immediately preceding the date of the application, may apply to the Authority to appoint an accountant or actuary to inspect the books of the Society and to report thereon, pursuant to the Acts.
108. It shall be the right of not less than 100 Members, upon application to the Authority, to apply for the appointment of an inspector or inspectors to examine the affairs of the Society and to report thereon.
109. Any application under Rules 107 or 108 shall be made in pursuance of the Acts or as the Authority shall direct.

### **Arbitrators**

110. All disputes arising between the Society and any Member (in his capacity as a Member, rather than as a Policyholder) or person claiming through a Member, under these Rules, may be referred in the first instance to the Managing Director. In the event that such dispute has not been resolved to the satisfaction of both parties within 30 business days of the dispute being referred to the Managing Director, it shall be referred to an independent arbitrator to be agreed between the parties or, in the event of their failure to agree, to an independent arbitrator to be nominated by the President of the Law Society of England and Wales for the time being. In this Rule the term "Member" includes a person who is or was a Member in the 6 months prior to the Board receiving notification of the dispute.
111. The decision of such an arbitrator shall be binding.

112. Rules 110 and 111 shall not restrict any rights which individuals may have in their capacity as Policyholders.

### **Officers**

113. The Board shall appoint a Secretary and a Managing Director and may appoint such other officers as it may consider necessary. Such persons shall receive remuneration and shall hold office upon such terms and conditions as the Board may decide.
114. Any appointment of a Director to an executive office shall terminate if he ceases to be a Director but without prejudice to any claim to damages for breach of the contract of service between the Director and the Society.

### **Directors' Interests**

115. In relation to the interests of Directors:
- (a) subject to Rule 116, and provided that he has disclosed to the Board the nature and extent of any material interest of his, a Director, notwithstanding his office:
    - (i) may be a party to, or otherwise interested in, any transaction or arrangement with the Society or in which the Society is otherwise interested;
    - (ii) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Society or in which the Society is otherwise interested; and
    - (iii) shall not, by reason of his office, be accountable to the Society for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate; and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit; and
  - (b) for the purposes of this Rule:
    - (i) a general notice given to the Board that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and
    - (ii) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.
116. Save as otherwise provided by these Rules, a Director shall not vote at a meeting of the Board on any resolution concerning a matter in which he has, directly or indirectly, a material interest (other than an interest in shares, debentures or other securities of, or otherwise in or through, the Society), unless his interest arises only because the case falls within one or more of the following paragraphs:

- (a) the resolution relates to the giving to him of a guarantee, security, or indemnity in respect of money lent to, or an obligation incurred by him for the benefit of, the Society or any of its Subsidiary Undertakings;
  - (b) the resolution relates to the giving to a third party of a guarantee, security, or indemnity in respect of an obligation of the Society or any of its Subsidiary Undertakings for which the Director has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
  - (c) the resolution relates in any way to a retirement benefits scheme which has been approved, or is conditional upon approval, by the Commissioners of Her Majesty's Revenue and Customs for taxation purposes;
  - (d) the resolution relates to an arrangement for the benefit of the employees of the Society or any of its Subsidiary Undertakings, which does not accord to any Director (as such) any privilege or advantage not generally accorded to the employees to whom the arrangement relates;
  - (e) the resolution relates to a transaction or arrangement with any other body corporate in which he is interested, directly or indirectly, provided that he is not the holder of or beneficially interested in one per cent or more of any class of the equity share capital of that body corporate (or of any other body corporate through which his interest is derived) and not entitled to exercise one per cent or more of the voting rights available to members of the relevant body corporate (and for the purpose of calculating the said percentage there shall be disregarded any shares held by the Director as a bare or custodian trustee and in which he has no beneficial interest, and any shares comprised in any authorised unit trust scheme in which the Director is interested only as a unit holder); or
  - (f) the resolution relates to the purchase or maintenance for any Director or Directors of insurance against any liability.
117. For the purposes of Rule 116, an interest of any person who is for any purpose connected (as defined in section 346 of the 1985 Act) with a Director shall be taken to be the interest of that Director.
118. Where proposals are under consideration concerning the appointment (including the fixing or varying of terms of appointment) of 2 or more Directors to offices or employments with the Society or any body corporate in which the Society is interested, the proposals may be divided and considered in relation to each Director separately and (provided he is not by virtue of Rule 116, or for any other reason, precluded from voting) each of the Directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.
119. A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.
120. The Society may by a resolution passed by a simple majority of the Members voting in person or by proxy at a General Meeting suspend or relax to any extent, in respect of any particular matter, any provision of these Rules prohibiting a Director from voting at a meeting of the Directors or of a committee appointed pursuant to Rule 92(b).

121. If a question arises at a meeting of the Board as to the right of a Director to vote, the question may, before the conclusion of the meeting, be referred to the chairperson of the meeting (or, if the Director concerned is the chairperson, to the other Directors at the meeting), and his ruling in relation to any Director other than himself (or, as the case may be, the ruling of the majority of the other Directors in relation to the chairperson) shall be final and conclusive.

#### **Making, Altering or Rescinding Rules**

122. These Rules may be altered, amended or rescinded, and any new Rules may be made, by a resolution passed by a majority of not less than 75 per cent of the Members voting in person or by proxy at a General Meeting. No amendment of these Rules is valid until registered by the Authority.

#### **Notices to Members**

123. Any notice to be given to or by any person pursuant to these Rules shall be in writing or, if the Board so permits, given using Electronic Means, except that a notice calling a meeting of the Board need not be either in writing or given using Electronic Means.
124. The Society may give any notice, document or information to a Member:
- (a) personally;
  - (b) by sending it by post in a prepaid envelope addressed to the Member at his registered address or by leaving it at that address; or
  - (c) by giving it in Electronic Form (if the Member agrees that the notice may be sent or supplied to him in that form and has not revoked that agreement) to an address for the time being notified by the Member to the Society for that purpose; or
  - (d) by making it available on the Society's principal website, provided the requirements in Rule 125 are satisfied.
125. The requirements referred to in Rule 124 are that:
- (a) the Member has agreed (generally or specifically) that the notice, document or information may be sent or supplied to him by being made available on a website (and has not revoked that agreement), or the Member has been requested by the Society to agree that the Society may send or supply notices, documents and information generally, or the notice, document or information in question, to him by making it available on the Society's principal website and the Society has not received a response within the period of 28 days beginning with the date on which the Society's request was sent and the Member is therefore taken to have so agreed (and has not revoked that agreement);
  - (b) the Member is sent a notification of the presence of the notice, document or information on the Society's principal website, the address of that website, the place on that website where it may be accessed and how it may be accessed;
  - (c) in the case of the notice of a General Meeting, the notification of the availability on the Society's principal website states that it concerns a notice of a General Meeting, specifies the place, time and date of the meeting, and states whether it will be an Annual General Meeting; and

- (d) the notice, document or information continues to be published on the Society's principal website, in the case of a notice of a General Meeting, throughout the period beginning with the date of the notification of availability of the relevant notice, document or information and ending with the conclusion of the meeting and in all other cases throughout the period of 28 days beginning with the date on which the notification of availability of the relevant notice, document or information is sent to the Member, save that if the relevant notice, document or information is made available for part only of that period then failure to make it available throughout the period shall be disregarded where such failure is wholly attributable to circumstances which it would not be reasonable to have expected the Society to prevent or avoid.
126. A Member whose registered address is not within the United Kingdom shall not be entitled to receive any notice, document or information from the Society unless he gives to the Society an address (not being an Electronic Address) within the United Kingdom at which notices may be given to him.
127. For the avoidance of doubt, Rules 124 to 126 are subject to Rule 33.
128. The Society may at any time and at its sole discretion choose to give, send or supply notices, documents and information only in written form to some or all Members.
129. A Member present either in person or by proxy at any General Meeting shall be deemed to have received notice of the meeting and of the purposes for which it was called.
130. Any notice, document or information to be given, sent or supplied by the Society to a Member may be given by reference to the Society's Database as it stands at any time within the period of 21 days before such notice, document or information is given, and no change in the Society's Database after that time shall invalidate the giving of the notice.
131. Where, by reason of the suspension or curtailment of postal services within the United Kingdom, the Society is unable effectively to give notice of a General Meeting by posting a circular under Rule 30(b) or Rule 31, the Society may instead give notice of such General Meeting by a notice advertised in 2 national daily newspapers published in the United Kingdom. The Society shall send a copy of the notice to Members in the same manner as it sends notices under Rule 124(b) if, at least 7 clear days before the meeting, the posting of notices to addresses throughout the United Kingdom again becomes practicable.
132. Any notice, document or information to be given by the Society to the Members or any of them, and not provided for by or pursuant to these Rules, shall be sufficiently given if given by advertisement in at least one national daily newspaper published in the United Kingdom, or by notice appearing on the Society's principal website.
133. Any notice, document or information sent or supplied by the Society to the Members or any of them:
- (a) by post shall be deemed to have been received 24 hours after the time at which the envelope containing the notice was posted unless it was sent by second class post or there is only one class of post in which case it shall be deemed to have been received 48 hours after it was posted. Proof that the envelope was properly addressed, prepaid and posted shall be conclusive evidence that notice, document or information was sent;

- (b) by advertisement shall be deemed to have been served on the day on which the advertisement appears;
  - (c) in Electronic Form shall be deemed to have been received 24 hours after it was sent. Proof that a notice, document or information sent in Electronic Form was sent in accordance with the Institute of Chartered Secretaries and Administrators' Guidance (in issue at the time the relevant notice, document or information was sent) shall be conclusive evidence that the notice, document or information was given; and
  - (d) by making it available on the Society's principal website shall be deemed to have been served on the date on which notification of availability on the website is deemed to have been received in accordance with this Rule or, if later, the date on which it is first made available on the website.
134. Any notice, document or information may be given by the Society to the person entitled to an Ordinary Share pursuant to Rule 15 by sending or delivering it in any manner authorised by these Rules for the giving of notice to a Member addressed to that person by name, or by the title of personal representative of the deceased or trustee in bankruptcy of a Member who has had a Bankruptcy Order made against him or by any like description, at the address, if any, within the United Kingdom supplied for that purpose by the person claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.
135. Notwithstanding Rule 20, if on 3 consecutive occasions notices, documents or information sent or supplied to a Member have been returned undelivered, the Board may elect, at its sole discretion, that such Member shall not be entitled to receive any subsequent notice, documents or information until he has given to the Society a new registered address or a postal address in either case within the United Kingdom, or (without prejudice to Rule 126) shall have informed the Society, in such form as may be specified by the Society, of an Electronic Address. For the purposes of this Rule, references to notices, documents and information include references to any cheque or other instrument of payment.
136. Where a document is required under these Rules to be signed by a Member or any other person, if the document is in Electronic Form, then in order to be valid the document shall either:
- (a) incorporate the electronic signature, or personal identification details (which may be details previously allocated by the Society), of that Member or other person, in such form as the Board may approve; or
  - (b) be accompanied by such other evidence as the Board may require in order to be satisfied that the document is genuine.

The Society may designate mechanisms for validating any such document and a document not validated by the use of any such mechanisms shall be deemed as having not been received by the Society. In the case of any document or information relating to a General Meeting, an instrument of proxy or invitation to appoint a proxy, any validation requirements shall be specified in the relevant notice of the meeting in accordance with Rules 32 and 62.

### **Dissolution**

137. The Society may be dissolved by winding up in accordance with the Acts or by the consent of 75 per cent of the Members by their signatures to an instrument of dissolution. If on the

winding up or dissolution of the Society any of its assets remain to be disposed of after its liabilities are satisfied and the repayment of any share capital held by Members, such assets shall be allocated to the Charitable Foundation.

### **Indemnity and Insurance**

138. Subject to the provisions of Sections 232 to 238 of the 2006 Act (with references to a "company" therein to be read as referring to the Society and references to an "associated company" therein to be read as referring to a Subsidiary Undertaking, for the purpose of this Rule), the Society may indemnify any person who is or was a Director or officer, directly or indirectly (including by funding any expenditure incurred or to be incurred by him), against any loss or liability, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or otherwise, in relation to the Society or any Subsidiary Undertaking.
139. Subject to the provisions of Sections 232 to 238 of the 2006 Act (with references to a "company" therein to be read as referring to the Society and references to an "associated company" therein to be read as referring to a Subsidiary Undertaking, for the purpose of this Rule), the Society may purchase and maintain insurance for any person who is or was a Director or officer against any loss or liability or any expenditure he may incur, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or otherwise, in relation to the Society or any Subsidiary Undertaking.