



Memorandum

and

Rule Book

MEMORANDUM
OF
THE ORIGINAL HOLLOWAY FRIENDLY SOCIETY
LIMITED

1. **NAME**

The Society is an incorporated friendly society. It is called "THE ORIGINAL HOLLOWAY FRIENDLY SOCIETY LIMITED," and is hereinafter referred to as "the Society."

2. **REGISTERED OFFICE**

The Registered Office of the society is to be situated in England or Wales. The address of the Registered Office is Holloway House, 71 Eastgate Street, Gloucester, GL1 1PW.

3. **PURPOSES**

(1) The purposes of the Society shall be the carrying on of any of the following classes of business or other activity. Any business or activity referred to below: -

- (i) 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 rules; and
- (ii) is to be funded by voluntary subscriptions from members of the Society with or without donations.

A Long term business of one or more of the following classes:

NUMBER	DESCRIPTIONS	NATURE OF BUSINESS
I	Life and Annuity	Effecting and carrying out contracts of insurance on human life or contracts to pay annuities on human life, but excluding (in each case) contracts within Class III below.
II	Marriage and Birth	Effecting and carrying out contracts of insurance to provide a sum on marriage or on the birth of a child, being contracts expressed to be in effect for a period of more than one year.

III	Linked Long-term	Effecting and carrying out contracts of insurance on human life or contracts to pay annuities on human life where the benefits are wholly or partly to be determined by reference to the value of, or the income from, property of any description (whether or not specified in the contracts) or by reference to fluctuation in, or in an index of, the value of property of any description (whether or not so specified).
IV	Permanent Health	Effecting and carrying out contracts of insurance providing specified benefits against risks of persons becoming incapacitated in consequence of sustaining injury as a result of an accident or of an accident of a specified class or of sickness or infirmity, being contracts that: <ul style="list-style-type: none"> (a) are expressed to be in effect for a period of not less than five years, or until the normal retirement age for the persons concerned, or without limit of time; and (b) either are not expressed to be terminable by the insurer, or are expressed to be so terminable only in special circumstances mentioned in the contract.
V	Tontines	Effecting and carrying out tontines
VI	Capital Redemption	Effecting and carrying out capital redemption contracts.
VII	Pension Fund Management	Effecting and carrying out <ul style="list-style-type: none"> (a) contracts to manage the investments of pension funds; or (b) contracts of the kind mentioned in paragraph (a) above that are combined with contracts of insurance covering either conservation of capital or payment of a minimum interest.

B Activities carried out in accordance with the Society's rules (or with arrangements made under the rules) whereby discretionary benefits are provided: -

- (a) for the education of any person;
- (b) for the relief or maintenance of any person during sickness, when out of employment or when in distressed circumstances; or
- (c) for the funeral expenses of any person but, save as may otherwise be provided from time to time by law, only to the extent that such activities do not constitute the carrying on of commercial business.

(2) In addition the Society may carry on: -

- (a) social or benevolent activities which are not inconsistent with the other purposes of the Society;
- (b) group insurance business;
- (c) reinsurance of risks for any other registered friendly society or any incorporated friendly society.

(3) 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 being in each case bodies formed in a member state whose objects are limited to the carrying on of one or more of the following activities: -

- (a) the establishment and management of personal equity plans within the meaning of the Finance Act, 1986;
- (b) the establishment and management unit trust schemes within the meaning of the Financial Services Act 1986;

- (c) the carrying on of long-term or general business;
- (d) arranging for the provision of credit, whether as agents for the borrower or the person providing credit, and the provision of services in connection with current loan agreements to the person providing credit;
- (f) the provision of fund management services for trustees of pension funds;
- (g) the administration of estates and the execution of trusts of wills;
- (h) the provision of executory services (within the meaning of Part II of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990) where the subsidiary or body is an executory practitioner (within the meaning of that Part of that Act) and the administration of testamentary trusts;
- (i) the establishment and management of sheltered housing, residential homes for the elderly, hospitals, or nursing homes or mental nursing homes (within the meaning of the Registered Homes Act 1984) or, in Northern Ireland, nursing homes (within the meaning of the Nursing Homes and Nursing Agencies Act (Northern Ireland) 1971), and the provision of medical, administrative or other services for persons owning or managing any of them;
- (j) the provision of administrative services for friendly societies or other bodies carrying on any of the above.

4. **POWERS**

(1) Investment of Funds

The funds of the Society may be applied or invested in the purchase of or at interest upon the security of such stocks funds shares securities or other investments or property of whatsoever nature and wheresoever and whether involving liability or not as the Board shall in its absolute discretion think fit to the intent that the Board shall have the same power of investing and of transposing of investments in all respects as if it was the absolute beneficial owner thereof.

(2) Holding of Land (for purposes other than investment)

Without prejudice to the power of the Society to invest its funds in property, the Society may acquire and hold land: -

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

(3) Borrowing

The Society may borrow money with or without security and on such terms as to interest repayment and otherwise as the Board 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 other way as to the propriety of the transaction or the application of the money.

(4) Assistance to controlled bodies

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

(5) Loans to members

The Society may, out of any separate loan fund to be formed by contributions or deposits from the members, make loans to members on their personal security, with or without sureties or, in Scotland, cautioners, subject to the restrictions contained or referred to in the Legislation.

(6) Government Securities Fund

The Society may (in accordance with its rules) set up and administer a fund for the purchase on behalf of members contributing thereto, of Defence Bonds, National Savings Certificates or such other securities of Her Majesty's Government as the Friendly Societies Commission may prescribe.

(7) Investment of Funds in a housing association

The Society may invest funds of the Society in subscribing for any of the share or loan capital of a housing association (within the meaning of the Housing Associations Act 1985) other than shares or debentures not fully paid up at the time of issue.

(8) Accumulation of Surplus Contributions for use of members

The Society may accumulate at interest, for the use of any member, any surplus of his contributions to the funds of the Society which may remain after providing for any assurance or for the provision of other benefits in respect of which the contributions are paid.

(9) Hospital and other benefits

The Society may subscribe out of its funds to any hospital, infirmary, charitable or provident institution, any annual or other sum, which may be necessary to secure to members of the Societies and their families, the benefits of that institution.

(10) Other Societies

The Society may contribute to the funds and take part in the government of any other friendly society.

(11) Other Activities

The Society may subject to the provisions of the Legislation, its memorandum and its rules, carry on any activity which is incidental or conducive to the carrying out of its purposes.

- (12) The Society may engage and remunerate staff and other advisers and do and pay for out of the Society's funds all such other things as are incidental or conducive to the attainment of the above purposes and the promotion and management of the Society's authorised activities or any of them.

5. **LIMITATION OF LIABILITY OF MEMBERS**

- (i) The liability of a member of the Society is limited to the amount of any subscription to the Society which is outstanding.
- (ii) No subscription of a member of the Society shall be recoverable at law except on the winding up of the Society.

6. **INTERPRETATION**

In this Memorandum

- (a) "the Board" means the Board of Management of the Society;
- (b) "the Legislation" means the Friendly Societies Act 1992 and subordinate legislation made here under;
- (c) expressions, where used in Legislation, have the same meaning as they have in the Legislation;
- (d) any words importing the masculine include the feminine, any words imparting the singular include the plural, and vice versa;
- (e) reference to any statute includes reference to any statutory modification or re-enactment thereof.

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RULES
OF
THE ORIGINAL HOLLOWAY FRIENDLY SOCIETY LIMITED

Rule 1 - Interpretation

In these Rules unless the context otherwise requires: -

(1) "Board" means the Board of Management of the Society;

"Central Office" means the Central Office of the Registry of Friendly Societies except in relation to Scotland where it means the Assistant Registrar of Friendly Societies for Scotland;

"Chief Executive" means a person who is employed by the Society and who, either alone or jointly with one or more other persons, is or will be responsible under the immediate authority of the Board for the conduct of the business of the Society and also means, if the office is vacant or if there is for any other reason no Chief Executive capable of acting, a person authorised by the Board to act as the deputy or assistant to or in the stead of the Chief Executive;

"Commission" means the Friendly Societies Commission;

"Director" means a member of the Board;

"financial year" means the 12 months ending on 31st December in any year;

"Legislation" means the Friendly Societies Act 1992 and any other Act or Acts or statutory instruments or statutory provisions from time to time in force relating to incorporated friendly societies;

"Manager" means a person (other than the Chief Executive) employed by the Society who, under the immediate authority of a Director or the Chief Executive, exercises managerial functions or is responsible for maintaining accounts or other records of the Society;

"Memorandum" means the memorandum of the time being in force of the purposes and the extent of the powers and activities of the Society agreed upon by the Society pursuant to the Legislation;

"month" means calendar month;

"Officer" means any Director, Chief Executive, Secretary or Manager;

"person" includes a body corporate;

"registered address" in relation to any member of the Society, means the address currently shown in the register of members and if the Board so requires shall be an address in the United Kingdom;

"register of members," means the records of the Society comprising the register of members maintained pursuant to the Legislation;

"Rules" means the rules of the Society for the time being in force;

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

"Society" means The Original Holloway Friendly Society Limited;

"special resolution" has the meaning given by paragraph 7 of Schedule 12 to the Friendly Societies Act 1992.

(2) Other words or expressions to which a particular meaning is given in the Legislation shall bear the same meaning in the Rules.

(3) Any words importing the singular shall include the plural, and any words importing the masculine gender shall include the feminine gender, and vice versa.

(4) Reference to any statute shall include reference to any statutory modification or re-enactment thereof.

(5) Any reference to the 'Friendly Societies Commission', 'Commission', 'Chief Registrar', 'Registrar', 'Central Office', 'Assistant Registrar for Scotland' or the 'Registry of Friendly Societies' includes reference to the Financial Services Authority (also known as 'the FSA'), which is the statutory successor carrying on the relevant functions of each of them. – 01/03/2002

Rule 2 - Membership

(1) In these Rules, a member of the Society is a person who: -

(a) has applied to the Society for benefit or assurance in a form prescribed by the Board from time to time and whose application has been accepted, and

(b) has an interest, whether actual or contingent, in the funds of the Society.

(2) Each member of the Society and all persons claiming through him or on his account shall be bound by the Rules from time to time in force during the period of the person's membership of the Society.

(3) Membership shall commence from the date of issue of the certificate or policy evidencing the terms of the benefit or assurance.

(4) Notwithstanding the provisions of paragraph (1) above, the Board may admit as a member of the Society a trustee under a trust in respect of which benefits from the Society are subscribed for by or on behalf of the beneficiaries of the trust.

(5) Each member shall notify the Society immediately of any change of name or address and shall produce such written evidence as the Society may require.

(6) Each member shall supply a specimen of his signature as and when required by the Society.

(7) A member who is under 18 years of age may, if he is aged 16 years or over, by himself, or if he is under 16 years of age, by his parent or guardian execute all instruments and give all receipts necessary to be executed or given under the Rules, but may not vote or hold any office in the Society, and may not nominate, or join in nominating, a person for election as a Director or as Secretary of the Society.

(8) A member shall notify the Society without delay of any claim or right of action against any party arising out of any circumstances which give rise to the payment of any benefit or sum of money by the Society to the member, and shall take all steps which the Society may reasonably require to include all such payments in any claim upon the other party and shall reimburse the Society all such sums recovered in respect of such benefits.

(9) A person shall cease to be a member of the Society when he ceases to have an interest, whether actual or contingent, in the funds of the Society.

(10) The Board may grant to a person of any age Honorary Membership of the Society, which shall continue, until the Board shall terminate the same. An Honorary Member may attend and speak but not vote at a general meeting of the Society.

(11) A person, who satisfies the provisions of paragraph 1(b) above but not paragraph 1(a) above, may nevertheless apply to the Board to be admitted as a member of the Society. The Board may in its absolute discretion refuse or accept such application, any acceptance to be on such terms as the Board shall decide.

Rule 3 - Register of Names and Addresses of Members

(1) The Society shall maintain a register of the names and addresses of the members of the Society.

(2) The register shall be kept at the registered office of the Society or at such other place or places as the Board thinks fit.

(3) The Society need not enter in the register the address of a member who became a member before the incorporation of the Society while it has no address for him and his whereabouts are unknown.

(4) Where it appears to the Society that the address shown in the register for a member is no longer current, the Society: -

(a) may remove that address from the register; and

(b) need not enter in the register an address for that member while it has no address for him and his whereabouts are unknown.

Rule 4 - Disqualifications and Forfeitures of Membership

(1) If a member shall make a claim on the Society's funds knowing the same to be false or fraudulent as regards the amount or otherwise, his entitlement to any benefit from the Society shall become void and all benefit shall be forfeited.

(2) The Board may terminate a person's membership of the Society by resolution of the Board if in its absolute discretion it considers that: -

(a) the member is or has been in material breach of any of the Rules, or

(b) the person's continued membership of the Society is or may be detrimental or prejudicial to the interests of the members generally.

(3) Upon a termination of a person's membership under paragraph (2) above, the person shall forfeit such amount as the Board may at its sole discretion determine.

(4) Nothing contained in Paragraphs (2) and (3) above shall prevent a person from referring the decision of the Board under such Rules to arbitration under the provision of Rule 27.

Rule 5 - Arrears

Any member in arrears in respect of any contribution due by or on behalf of the member to the Society shall be subject to the provisions with regard thereto contained in the Schedules to the Rules referred to in Rule 7.

Rule 6 - Nominations

(1) A member not under the age of 16 years may nominate a person or persons to whom any sum of money payable by the Society on his death or any specified amount of money so payable shall be paid at his decease, but the total amount which may be so nominated shall not exceed £5,000 or such higher amount as, by virtue of an order under Section 6 of the Administration of Estates (Small Payments) Act 1965, may for the time being apply for the purposes of the enactments specified in sub-section (1) of that section.

(2) All such nominations shall be made in writing, under the hand of the member, delivered or sent to the registered office of the Society, or, made in a book kept at such office.

(3) The person or persons so nominated must not at the date of the nomination be an officer or employee of the Society unless that officer or employee is the husband, wife, father, mother, child, brother, sister, nephew or niece of the nominator.

(4) A nomination so made may be revoked or varied by any similar document, under the hand of the nominator, delivered, sent or made as aforesaid, but a nomination shall not be revoked by a subsequent will.

(5) The marriage of a member shall operate as a revocation of any nomination previously made by him.

(6) Nominations, revocations and variations may be in the forms appended to these rules.

Rule 7 - Benefits provided by the Society

(1) The benefits for which members may currently subscribe and the terms and conditions relating thereto shall be those which are contained or referred to in the Schedules to the Rules and in paragraph (4) below.

(2) The Schedules shall form part of the Rules of the Society and as such may be varied, rescinded or added to in the manner provided by the Rules. New Schedules may be added to the Rules, and existing Schedules may be deleted, in the manner provided in the Rules.

(3) Any of the risks against which persons are or are to be insured by the Society may be reinsured to such extent as may from time to time be approved by the Society's Actuary.

(4) Where a member was contributing for a benefit or assurance under a Table which was closed to new business immediately before the date of incorporation of the Society, the terms and conditions relating thereto shall be those which applied to that benefit or assurance under the rules of the

Original Holloway Society at that time and, in the case of an assurance, the policy of assurance that was issued pursuant thereto.

Rule 8 - Management

(1) The business of the Society and any business, which the Society proposes to carry on, shall be under the direction and management of the Board.

(2) The Board shall consist of not more than 12 nor (subject to the provisions of Rule 16 (6)), less than 6 Directors and the Board may from time to time resolve:

(a) the number of such Board Members who together shall constitute the Board within these limitations; and

(b) the number of these Board Members who shall form a quorum so long as such quorum is not less than one more than half the number of these Board Members.

(3) The Board may exercise all those powers of the Society as are not, by the Legislation or by the Rules, required to be exercised by the Society in general meeting.

(4) No Rule or alteration to a Rule made by the Society in general meeting shall invalidate any act of the Board prior to the date on which the Rule or alteration takes effect and which would have been valid if that Rule or alteration had not been made.

(5) Without prejudice to the generality of the foregoing paragraphs (1), (2) and (3), the Board: -

(a) shall ensure the direction and management of all affairs and business of the Society: -

(i) by a sufficient number of persons fit and proper to be Directors or other Officers in their respective positions;

(ii) with prudence and integrity;

(iii) in the best interests of the members and in accordance with best practice; and

(iv) in accordance with the Memorandum and the Rules, and with the Legislation;

(b) shall supervise the activities of any subsidiary or jointly controlled body;

(c) may make, vary or revoke regulations for the conduct of business at its meetings, including but not limited to:

(i) voting rights, including casting votes;

(ii) special meetings, and

(iii) minutes of meetings;

(d) may provide for the management and transaction of the affairs of the Society in any specified locality in such manner as it thinks fit;

(e) may remunerate the Directors out of the funds of the Society and pay the reasonable expenses and any professional and other fees of the Directors;

(f) may pay out of the funds of the Society the expenses of the Society and such sums as the Board may deem necessary or expedient to be paid in the interests of the Society;

(g) may make, vary or revoke regulations for the conduct of the business of the Society, provided that the same are not inconsistent with the Rules, the Society's Memorandum or the Legislation;

(h) may authorise the use of all forms, instruments and other documents, which it may deem necessary for the proper conduct of the business of the Society;

(i) may delegate any of its powers, duties, discretions and authorities relating to the business of the Society to: -

(i) one or more Directors;

(ii) Committees consisting of such Director or Directors, other Officer or Officers and/or employee or employees as it thinks fit;

(iii) one or more Officers or employees;

(j) may invest the funds of the Society in the manner authorised by the Memorandum, the Rules or under the Legislation;

(k) may alter the Memorandum or the Rules including the Schedules to the Rules and may adopt any new Schedules or adopt any new Rule in or relating to any Schedule in accordance with the provisions set out in Rule 28 but subject always to the provision for ratification of such alterations contained in Paragraph (5) of Rule 28.

(l) may appoint, and change the appointment of, from time to time an Actuary as Actuary to the Society to perform the duties required by the Legislation and on such terms as the Board shall from time to time decide;

(6) All acts done by the Board, or any sub-committee, or any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the constitution of the Board or sub-committee or in the election or re-election or appointment of any member of the Board or sub-committee or person acting as aforesaid, or that any persons was disqualified from holding office or was not entitled to vote, be as valid as if the Board or sub-committee had been properly constituted and as if every such person had been duly elected or re-elected or appointed or entitled to vote and, where appropriate, was qualified and had been a Director.

Rule 9 - Eligibility and Election of Directors

(1) No person shall be elected or appointed as a Director unless: -

(a) he will be less than 65 years of age at the date on which the election, or, in the case of appointments under Rule 16, the appointment, would take effect; or

(b) if he will be more than 65 years of age at the date on which the election would take effect, he has been approved by resolution of the Board as eligible for election, and his age and the reasons for the Board's approval of his eligibility have been notified to every person entitled to vote at the election; and

(c) he is a minor; and

(d) (except in the case of appointment under Rule 16 or nomination under paragraph (4) below, or where a Director retired under Rule 17, a form nominating him, signed by not less than two members who comply with the requirements of paragraph (3) below, has been delivered at the Registered Office not later than 31st March in the year of the Annual General Meeting at which the vacancy in respect of which he is nominated is to be filled. The nomination form shall contain the full name, address, age and occupation of the person nominated, his consent to be so nominated, and the full names and addresses of the members proposing his nomination. The nomination form shall be dated with the date of its delivery at the Registered Office and that date shall be deemed to be the date of nomination for the purpose of paragraph (3) below.

(2) In exercise of its duties pursuant to Rule 8 (5) (a) the Board may require any individual nominated for election as a Board Member to supply in writing such forms as the Board may specify, evidence as to his qualifications, financial and managerial experience, creditworthiness, competence and character and to complete in draft any form or questionnaire that, if elected, he would be required to submit to any regulatory authority in accordance with the Act.

(3) The requirements with which a member must comply in order to be eligible to nominate an individual as a Board Member are as follows:

(a) he must be a member; and

(b) he must not be a minor at that date.

(4) If a vacancy arises on the Board after the last day of the financial year and before the conclusion of the Annual General Meeting held in the succeeding financial year by reason of the death or disqualification of any retiring Board Member who was seeking re-election the Board may without giving notice under Rule 21 nominate at the Annual General Meeting some other member who is at the date of that Meeting: -

(i) less than 65 years of age, and

(ii) not a minor,

to take the place of such retiring Board Member as a candidate for election and such Member shall be deemed to be a retiring Board Member,

or reduce the number of vacancies to be filled at the Annual General Meeting by one in respect of each such event and any remaining vacancy on the Board shall be and become a vacancy which the Board has power to fill under Rule 16.

(5) Where a person becomes or ceases to be a Member of the Board, the Society shall within one month give notice of that fact to the Central Office. The notice shall state the person's full name and address and the date on which he became, or ceased to be a Member of the Board and, in the case of a person becoming a Member, the date of his birth.

Rule 10 - Appointment of Chairman and Vice-Chairman

(1) At its first meeting after every Annual General Meeting the Board shall elect from its number a Chairman and a Vice-Chairman who shall, subject to paragraph (3) below, hold office until the commencement of the first meeting of the Board held after the next Annual General Meeting unless either shall cease in the meantime to be a Director or shall resign the office. The Chairman shall

preside at all meetings of the Board at which he is present and in the absence of the Chairman the Vice-Chairman shall take his place.

(2) If the Chairman and the Vice-Chairman so elected shall both be absent from a meeting of the Board, the Directors present at that meeting of the Board shall elect a Director to be Chairman for the purposes of that meeting.

(3) The Board may at any time remove the Chairman or the Vice-Chairman from office.

(4) The Secretary shall give not less than fourteen clear days' notice in writing to all Directors of a meeting of the Board at which it is intended to move a resolution that the Chairman or Vice-Chairman vacate that office. The notice shall set out the proposed resolution and if all the requirements of this paragraph are not complied with, the resolution, even if passed, shall be of no effect. The provisions of Rule 29 (2) shall apply to any such notice as they apply to any notice to be served on a member of the Society, the registered address of the Chairman or Vice-Chairman for this purpose being his last known home address.

(5) The Board shall fill from its number any casual vacancy (whether or not arising from its exercising its power under paragraph 3 above) in the office of Chairman or Vice-Chairman, and a Chairman or Vice-Chairman so elected shall, subject to paragraph (3) above, hold office until the commencement of the first meeting of the Board held after the next Annual General Meeting unless he shall cease in the meantime to be a Director or shall resign the office.

Rule 11 - Offices of Profit

(1) A director may hold any office or place of profit with the Society (other than the office of Auditor or Actuary to the Society) simultaneously with his office of Director and may be appointed by the Board to an office or place of profit with any body corporate in which the Society is, or will be, interested, on such terms as may be agreed from time to time between the Board and the Director.

(2) A Director so appointed to an office or place of profit with a body corporate in accordance with paragraph (1) above shall disclose any benefit which he derives from any such office or place to the Board in the financial year in which it is received.

(3) A Director, notwithstanding his interest, may be counted in the quorum present at any meeting at which he or any other director is appointed to hold any office or place of profit with the Society or with any body corporate in which the Society is, or will be, interested or at which the terms of any such appointment are arranged, and he may vote on any such appointment or arrangement other than his own appointment or the arrangement of the terms thereof.

Rule 12 - Interest in Contracts

(1) Subject to a Director complying with the provisions for the time being of the Legislation that: -

(a) require him to declare to the Board any direct or indirect interests he might have, or be treated as having, in any contract to which the Society is a party;

(b) prohibit particular contracts;

(c) require a contract to be approved by a resolution of a general meeting, or

(d) require him to furnish to the Society particulars of any related business,

he may enter into or be interested, whether directly or indirectly, in contracts with the Society and shall not be disqualified from office thereby, nor shall he be liable to account to the Society for any profit arising out of any such contract to which he is a party or in which he is interested by reason of his being at the same time a Director.

(2) No Director may vote as a Director in regard to any contract, or proposal therefore, in which he is interested, whether directly or indirectly, or upon any matter arising out of it. If he shall so vote, his vote shall not be counted nor shall he be reckoned in estimating a quorum when any such contract or proposal therefor, is under consideration.

(3) In this Rule the term "contract" includes any transaction or arrangement. For the avoidance of doubt, the word "interest" in this Rule does not include any interest a Director may have as a Director of a subsidiary company or other associated body of the Society.

Rule 13 - Appointment of Officers, Employees and Others

(1) The Society must have a Chief Executive and a Secretary who shall be appointed and whose appointment may be terminated by the Board.

(2) The same person may be appointed as both the Chief Executive and the Secretary.

(3) The Chief Executive shall be responsible under the immediate authority of the Board for the conduct of the business of the Society.

(4) The Board shall take all reasonable steps to secure that the person appointed as Chief Executive has the requisite knowledge and experience to discharge the functions of his office.

(5) Where a person becomes or ceases to be the Chief Executive or the Secretary, the Society shall within one month give notice of that fact to the Central Office, stating the person's full name and address and the date on which he became, or ceased to be, Chief Executive or Secretary.

(6) The Board may also appoint and, subject to the provisions of any contract or other instrument, terminate the appointment of a Manager and such employees, advisors, bankers and agents as the Board may at any time determine.

(7) The powers and duties of persons appointed under this Rule shall be those given them from time to time by the Board which may pay them such salaries, wages, commissions and bonuses, compensation for loss of office or of employment, fees and other remuneration as it may consider desirable.

Rule 14 - Indemnity to Directors, Officers and Employees

(1) Every Director, the Chief Executive, the Secretary, every other Officer and every employee of the Society (whether current or former) shall be indemnified by the Society against any liability in respect of losses, costs, charges, damages and expenses which may arise from, or in the course of, his duties, but not against any such liability which, by virtue of any rule of law or of the Legislation, would attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Society. He shall, however be indemnified against any liability incurred by him in defending any proceedings whatsoever, whether civil or criminal, arising out of his duties in relation to the Society in which judgement is given in his favour or in which he is acquitted.

(2) The Society may take out a policy of insurance to cover any such indemnity or liability as is mentioned in paragraph (1) above.

Rule 15 - Vacation of Office and Disqualification

(1) A Director shall cease to hold office: -

(a) if he resigns his office by notice in writing to the Secretary;

(b) if he takes up a permanent residence outside the United Kingdom;

(c) if he is requested in writing by all his Co-directors to resign and a resolution is thereafter passed at a meeting of the Board by at least four-fifths of the members of the full Board that he has vacated office;

(d) if for more than six consecutive months he absents himself without permission of the Board from meetings of the Board held during that period and the Board passes a resolution that he has vacated office;

(e) if he becomes bankrupt or is subject to sequestration;

(f) if 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 provisions of the Mental Health Act 1983, 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 a receiver, curator bonis or other person to exercise powers with respect to his property or affairs;

(g) upon a resolution of which notice has been given under Rule 21 (2) that he shall cease to be a Director passed by three-fourths of the votes cast on a poll at a general meeting;

(h) if, whilst a Director of the Society and without prior consent of all his Co-directors, he accepts the office of a Director in any other organisation, company or body deemed by the Board to be in direct competition with the business of the Society;

(i) upon the conclusion of the Annual General Meeting next following the date at which he attains 65 years of age;

(j) if he becomes prohibited by law from being a Director;

(k) if he contravenes Rule 12 (1) by knowingly or recklessly failing to declare an interest and the Board passes a resolution that he vacate office;

(l) if any regulatory body directs that he is not a fit and proper person to be a Director of the Society.

(2) The Secretary shall give not less than fourteen clear days' notice in writing to all Directors of a meeting of the Board at which it is intended to move a resolution that a Director vacate office. The notice shall set out the proposed resolution and if all the requirements of this paragraph are not complied with, the resolution, even if passed, shall be of no effect. The provisions of Rule 29 (2)

shall apply to any such notice as they apply to any notice to be served on a member of the Society, a Director's registered address for this purpose being his last known home address.

Rule 16 - Filling of Casual Vacancies

(1) In the case of any vacancy not occasioned by the retirement of any Director by rotation the Board may at any time, and from time to time, appoint a person as a director to fill such vacancy.

(2) If and whenever the Board shall resolve to increase the number of persons constituting the Board within the limitation prescribed by Rule 8, the Board may appoint a person as an additional Director in order to fill any vacancy thereby created.

(3) The Board may co-opt as a Director (whether as an additional Director or to fill any vacancy) any person: -

(a) who appears to the Board to be fit and proper to be a Director; and

(b) who has not failed, having been nominated at an election held within the preceding 12 months to be elected as a Director.

(4) A Director appointed under this Rule shall hold office until the conclusion of the Annual General Meeting next following such appointment.

(5) A Director appointed under this Rule and retiring under paragraph (4) above shall be eligible for re-election without nomination, provided that he is not ineligible by reason of his age on that date, and he shall be a retiring Director for the purposes of Rule 17 (3).

(6) Notwithstanding any vacancies on the Board, the remaining Directors may continue to act. If at any time the number of Directors falls below the minimum of 6 prescribed by Rule 8, the Board so constituted, although its number is insufficient to form a quorum, may act by a majority of its number for a maximum period of 6 months but in such circumstances the Chairman shall not have any second or casting vote.

Rule 17 - Retirement by Rotation

(1) At each Annual General Meeting each Director who has not been elected or re-elected at any of the last four Annual General Meetings (in addition to any Director retiring under Rule 15 (1) (i) or 16 (4)) shall retire from office.

(2) A Director retiring under this Rule shall be eligible for re-election without nomination provided that he is not ineligible by reason of his age on the date of the Annual General Meeting.

(3) If at an Annual General Meeting there is no contest for the office of Director, then: -

(a) any person both eligible for election and nominated under either paragraph (1) or (3) of Rule 9 shall be deemed to have been elected, and

(b) any retiring Director offering himself for re-election who is qualified under Rule 9 (1) at the date of the meeting shall be deemed to have been re-elected unless a resolution of which notice has been given under Rule 21 (2) that he shall cease to be a Director shall be passed by three-fourths of the votes cast on a poll.

(4) If at an Annual General Meeting there is a contest for the office of Director in that the number of candidates for election or re-election to the Board (including Directors retiring under this Rule and Rule 16 (4)) exceeds the number of vacancies thereon, the vacancies shall be filled by those candidates obtaining the most votes. The vote shall be taken on a poll, which shall be deemed to have been demanded by the Chairman. The following provisions shall apply to such a poll: -

(a) the voting papers shall set forth the full names of all the candidates and the number of vacancies on the Board (any retiring Directors being denoted by appropriate marks);

(b) the voting shall be effected by the placing of an X after the names of the candidates for whom the votes are to be cast;

(c) the voting paper shall be void if a member votes for more candidates than there are vacancies to fill;

(d) each member entitled to vote at the meeting shall have one vote in respect of each vacancy to be filled; and

(e) no member shall be required to cast all or any of the votes given to him by (d) above.

Rule 18 - Funds, Reserves, Pension and Other Schemes

(1) The Board shall maintain a Management Fund and such other funds as the Rules or the Legislation shall require or, in the absence of such requirement, as the appointed Actuary shall from time to time advise.

(2) All expenses relating to the management of the Society shall be paid from the Management Fund.

(3) The apportionment of the expenses of the management of the Society, any taxes levied on the Society and the allocation of the investment income of the society as between the different funds and parts of the funds held by the Society from time to time shall be allocated by the Board on the advice of the appointed Actuary. The Board may from time to time transfer from any other fund held by the Society to the Management Fund such sum or sums as it shall in its discretion consider to be fair and reasonable to meet the expenses of the management of the Society.

(4) The Society may maintain a Benevolent Fund for the purpose of granting assistance to distressed members and the Board may from time to time transfer money from the Management Fund to the Benevolent Fund for such purpose.

(5) If at the close of any financial year the amount of the Management Fund is greater than that which has been required to meet the expenses of the management of the Society, the Board may at its discretion carry the balance or a proportion thereof over to the next year, or may carry the balance or a proportion thereof to the Reserve Fund.

(6) Any deficiency in the Management Fund shall, on the advice of the appointed Actuary, be made up by a transfer from the Reserve Fund.

(7) A Reserve Fund shall be maintained into which any profits from investments shall be credited and to which any losses suffered on investments shall be charged. The Board may credit to the Reserve Fund any sums accruing to the Society which are not expressly allocated by the Rules to other purposes. The Reserve Fund shall be available for transfer to any other fund of the Society from time to time.

(8) Subject to paragraph (11) below, 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 past, present or future Officers and employees of the Society and of any Society with which the Society may merge in the future and their widows, spouses, children and dependents.

(9) In addition to the powers aforesaid the Board may, subject to paragraph (11) below, grant on such terms as it thinks fit, other pensions, allowances, gratuities, donations and bonuses to or for the benefit of: -

(a) past or present Officers and employees of the Society;

(b) past Officers and employees of a Society with which the Society has merged;

(c) any widows, spouses, children or dependants of such Officers and employees mentioned in (a) or (b) above as the Board may think fit.

(10) The Board may make, vary and revoke the Rules of any such fund or scheme as is mentioned in paragraph (9) (to such extent as this power is not thereby prohibited, or is found permissible) and may constitute any trust and may from time to time at its discretion exercise any powers which may be reserved to the Society by the terms of any trust constituted by the Society, including the power of modifying or discontinuing the terms of any such trust or any rules or regulations which may be or have been made pursuant thereto.

Rule 19 - Annual General Meeting

(1) The Society shall in each calendar year on a date after 31st March hold a meeting as its Annual General Meeting in addition to any other meetings in that year and the Annual General Meeting shall, subject as aforesaid, be held at such day, hour and place as the Board shall determine.

(2) Not more than 15 months shall elapse between the date of one Annual General Meeting and that of the next.

(3) The Board shall lay before the members at the Annual General Meeting the Annual Accounts of the Society for the last financial year before the date of that meeting, and shall also submit to them a report by the Board (called in these Rules "the Directors' Report") on the business of the Society, which Directors' Report shall include information required by or under the Legislation and the Rules.

(4) The Society shall as from the date by which at the latest the Board is required by the legislation to send them to the Commission: -

(a) make copies of the Annual Accounts, the Report of the Board and the Auditors' Report available free of charge to the members of the Society; and

(b) send, free of charge, copies of those documents to any member of the Society who requests them;

and that duty shall cease, as respects those documents, when the Society comes to be under the same duty in respect of the documents for the next financial year.

(5) In these Rules "Annual Accounts" means the classes of document (including the notes to them) which the Society is required (unless otherwise exempted) by or under the Legislation to prepare by

way of accounts for itself individually and, if it has subsidiaries, by way of group accounts for itself and those subsidiaries.

(6) The report of the Auditors on: -

(a) the Annual Accounts laid before the Annual General Meeting, and

(b) the Directors' Report shall be laid before that meeting and shall be available for inspection by any member.

(7) No business shall be transacted at an Annual General Meeting, and no resolution shall be brought forward at any such meeting, except as may arise upon: -

(a) the Annual Accounts laid before the meeting;

(b) the Directors' Report submitted to the meeting;

(c) the report of the Auditors on the documents listed in (a) and (b) above;

(d) the election and re-election of Directors;

(e) the appointment or re-appointment of Auditors;

(f) a motion for a resolution contained in a member's notice received by the Society in accordance with the provisions of Rule 21, and

(g) business (including a motion for a resolution, whether special or ordinary, or a motion to add to, alter or rescind any of the Rules) brought before the meeting by the Board.

Rule 20 - Special Meetings

(1) All general meetings other than Annual General Meetings shall be called Special General Meetings.

(2) The Board may, whenever it thinks fit, convene a Special General Meeting.

(3) The Board shall convene a Special General Meeting on the requisition of not less than 100 members of the Society qualified under paragraph (4) below. The requisition shall state the objects of the meeting (which must however not include the election of a director) and shall be signed by the requisitioners and deposited at the registered office of the Society, and may consist of several documents in like form each signed by one or more requisitioners. A deposit of £20 in respect of each requisitioner signing the requisition shall be lodged with it at the registered office of the Society. If within half an hour after the time appointed for the meeting a quorum is not present, all such deposits shall be forfeited but if a quorum is present the members present and entitled to vote at the meeting shall decide whether the deposits shall be appropriated either wholly or in part towards the expenses of convening and holding the meeting, and to any extent to which the deposits are not so appropriated they shall be returned by the Society to the requisitioners equally.

(4) A member shall be qualified under this paragraph for the purposes of paragraph (3) above if he:
-

(a) has been a member of the Society for a continuous period of not less than two years prior to the date of the requisition, and

(b) is a person entitled to attend, speak and vote at a general meeting of the Society on the date of the requisition.

(5) If the Board does not within 28 days after the date of deposit of the sole requisition, or the date of deposit of the last requisition sufficient to comply with the requirements of paragraph (3) above, proceed to despatch notices convening a meeting to be held within 63 days after that date, the requisitioners or any proportion of them exceeding one-half may themselves convene a Special General Meeting, but any meeting so convened shall not be held after the expiration of five months, from the date of the deposit of the sole or last requisition. The meeting so convened by the requisitioners shall be convened in the same manner, as nearly as possible, as that in which meetings are convened by the Board and notices thereof shall be sent by post to the persons entitled thereto in accordance with the Legislation and Rule 21. Any reasonable expenses incurred by the requisitioners by reason of the failure of the Board duly to convene to a meeting shall be repaid to them by the Society, and any sum so repaid shall be retained by the Society out of any sums owed or owing from the Society to such members of the Board as were in default by way of fees or other remuneration in respect of their services. The Board, or as the case may be, the requisitioners, shall give the members of the Society notice of any resolution which the requisitioners propose to move at the meeting at the same time and in the same manner as notice is given of the meeting.

(6) No business shall be entertained at any Special General Meeting except such as shall be stated in the notice convening the meeting.

(7) Except where the requisitioners themselves convene a Special General Meeting under paragraph (5) of this Rule, Special General Meetings shall be held at such day, hour and place as the Board shall determine.

Rule 21 - Notice of Meetings

(1) Not less than 14 days' notice of the day, hour and place of the Annual General Meeting shall be given by or on behalf of the Board to those members entitled to notice in accordance with paragraph (11) below. The Annual General Meeting shall be described as such in the notice of the meeting.

(2) If at least the requisite number of qualified members of the Society give notice to it in writing (whether in one or more documents) of their intention to have moved on their behalf at an Annual General Meeting of the Society a resolution which is specified in the notice the Board shall: -

(a) include in the notice of that meeting a notice specifying the intention of those members to have the resolution moved on their behalf at the meeting and, where applicable, the intention to move it as a special resolution.

(b) at the request of the qualified members intending to have the resolution moved on their behalf, include in the notice of that meeting to each member entitled to receive notice of that meeting a copy of any statement of not more than 100 words with respect to the matter referred to in the resolution and for the purposes of this paragraph: -

(i) the "requisite number" is 20,

(ii) a "qualified member" is one who:-

(a) has been a member of the Society for more than two years prior to the date of the notice, and

(b) is entitled to attend, speak and vote at a general meeting of the Society.

(3) The Board shall be under no duty: -

(a) to include a motion for a resolution in the notice of the Annual General Meeting; or

(b) to send to members such a statement as is mentioned in paragraph (2) (b) above if: -

(i) written notice complying with the requirements of paragraph (2) above and, if submitted, any statement given (of the kind mentioned in paragraph (2) (b) above) are given to or lodged with the Society later than 31st March in the year in which the Annual General Meeting at which it is intended to move the resolution is to take place; or

(ii) the resolution and, if submitted, any such statement does not relate directly to the affairs of the Society; or

(iii) the rights conferred by paragraph (2) above are being abused to seek needless publicity for defamatory matter or for frivolous or vexatious purposes; or

(iv) the resolution is in substantially the same terms as any resolution that has been defeated at a meeting or on a postal ballot during the three calendar years prior to the year in which the Annual General Meeting at which it is intended to move the resolution is to take place.

(4) The Agenda for the Annual General Meeting stating the nature of any resolution to be moved at the meeting and of the other business to be transacted thereat, shall be prepared by or on behalf of the Board not less than 21 days before the date of the meeting and distributed as soon as possible thereafter to any member wishing to have a copy.

(5) Subject to the provisions of paragraph (3) above, the Board shall include in the Agenda any resolution or business properly notified in accordance with paragraph (2) of this Rule.

(6) Notice of a Special General Meeting, other than an adjourned meeting, specifying the day, hour and place of the meeting and stating the nature of any resolution to be moved at the meeting and of any other business to be transacted thereat, shall be advertised or despatched not less than 21 days prior to the date of the meeting and shall be given to members entitled to attend, speak and vote at the relevant meeting in accordance with the Legislation and the Rules.

(7) Subject to the Legislation and the Rules, a notice of a meeting shall be given by the Society by sending it by post to the registered address of the member.

(8) The accidental omission to send a notice of a meeting or to send any document required by the Legislation or these Rules to be sent with the notice or otherwise before the meeting to, or the non-receipt of notice of a meeting or any such document as aforesaid by any person entitled to receive notice shall not invalidate the proceedings at the meeting.

(9) The sending of a notice of a meeting to any person not entitled to be given notice thereof shall not entitle him to attend or vote at that meeting nor invalidate the proceedings at that meeting.

(10) Notwithstanding the provisions of the Rules regarding notices to members, there shall be no requirement to send a notice to a member where the Society does not have a current address for the member, or where the Board have reason to believe that a notice sent to the registered address will not come to the attention of the member.

(11) The persons entitled to notice of a meeting shall be: -

(a) the Honorary Members, and

(b) those who by the Rules are entitled to attend, speak and vote at a general meeting of the Society and whose names were on the register of members on the first day of the month immediately preceding that in which the notice of the meeting is being despatched, and who had attained 18 years of age on that date.

(12) Where a notice is required to be sent to a member, a notice of a meeting shall be given to the holder of a power of attorney which has been duly registered in the register of members by sending the notice by post to the registered address of the holder of the power of attorney. No notice need be given to the member who gave the power.

(13) Where a notice is required to be sent to a member, if a member is suffering from mental disorder a notice of a meeting shall be given to his receiver, curator bonis or other person in that behalf appointed by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder. Such a notice shall be sent by post to the address supplied for the purpose by the aforesaid receiver, curator bonis or other person, or until such an address has been so supplied, by sending the notice by post to the registered address of the member.

(14) Any notice of a meeting required to be given generally to the members of the Society may, if the Board shall so resolve be given by way of advertisement. The advertisement must appear in at least two daily newspapers selected by the Board and having a national circulation, and the Board may vary its selection of newspapers from time to time. The Board shall maintain a list of the newspapers currently selected by it so that any member who enquires of the Society can be informed as to the newspapers so selected.

Rule 22 - Procedure at Meetings

(1) No business shall be entertained at any Annual or Special General Meeting unless a quorum is present at the time when the meeting proceeds to business, and a quorum shall be constituted for all purposes as follows: -

(a) where the meeting is a Special General Meeting requisitioned under Rule 20 (3), by 100 members present and entitled to vote on a show of hands;

(b) in all other cases by 10 members of the Society present and entitled to vote on a show of hands.

If no quorum shall be present within half an hour after the time appointed for the Annual or Special General Meeting: -

(i) where the meeting is not a Special General Meeting requisitioned under Rule 20 (3), the Chairman of the meeting shall adjourn the meeting to such day, hour and place as he shall direct;

(ii) where the meeting is a Special General Meeting so requisitioned, the Chairman of the meeting shall dissolve it.

(2) The Chairman of the Board or, in his absence, the Vice-Chairman of the Board, shall preside at every meeting of the society. If there is no such Chairman or Vice-Chairman, or if neither the Chairman nor the Vice-Chairman is present within fifteen minutes after the time appointed for the holding of the meeting, or if both the Chairman and the Vice-Chairman are unwilling to act, the Directors present shall elect one of their number to be Chairman of the meeting. If at any meeting no Director is willing to act as Chairman, or if no Director is present within fifteen minutes after the

time appointed for holding the meeting, the members present and entitled under paragraph (1) above to be included in the quorum for the meeting shall choose one of their number who is present to be the Chairman of the meeting.

(3) 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 except as provided in paragraph (8) of this Rule no business shall be transacted at any adjourned meeting other than the business left unfinished or not reached at the meeting from which the adjournment took place. Every adjourned meeting shall be deemed a continuation of the original meeting and any resolution passed at an adjourned meeting shall for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date. When a meeting is adjourned for thirty days or more, or is adjourned indefinitely, notice of the adjourned meeting shall be given as in the case of an original meeting or, if the Chairman of the meeting so determines, by advertising in accordance with Rule 21 (14) at least fourteen days before such adjourned meeting but, save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

(4) The members present at an adjourned meeting and entitled under paragraph (1) above to be included in the quorum for the meeting shall be a sufficient quorum.

(5) Subject to the Legislation and these Rules every question submitted to a general meeting shall be decided by a simple majority and such votes shall be taken in the first instance by a show of hands.

(6) A poll may (before or on the declaration of the result of the show of hands) be demanded by: -

(a) the Chairman of the meeting, or

(b) 10 members who are entitled to vote at the meeting and are present in person, by representative under Rule 23 (5) or by a person specified in Rule 23 (4), or in the case of a resolution where the Legislation or the Rules require a vote by proxy to be allowed, by proxy, and in the event of such a demand, shall be taken in accordance with paragraph (8) of this Rule, but no poll shall be permitted upon a resolution to appoint a Chairman. Unless a poll be so demanded, a declaration by the Chairman that a resolution on a show of hands has been carried, or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of, or against, such resolution. If a motion for a special resolution is to be put to the vote of the meeting or there is a contest for the office or appointment of director or auditor, a poll shall be deemed to have been demanded by the Chairman.

(7) Except in the case of a motion for a special resolution or of a contest for the office or appointment of director or auditor, the demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the Chairman, 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.

(8) If a poll is duly demanded, it shall be taken at the meeting at which it is demanded or, if the Chairman so decides, at an adjourned meeting and in either case (subject to Rule 17 (4) in the case of a contested election of directors) in such manner, subject to paragraph (9) below, as the Chairman directs, and the result of the poll shall, notwithstanding paragraph (3) of this Rule, be deemed to be the resolution of the meeting or adjourned meeting at which the poll was taken. The Chairman may adjourn the meeting or adjourned meeting to some day, hour and place fixed by him for the purpose of declaring the result of the poll. A poll demanded on question of adjournment shall be taken forthwith and the result declared immediately upon the conclusion of the taking of the

poll. A poll demanded on any other question shall not prevent the continuance of a meeting for the transaction of any business other than that upon which the poll has been demanded.

(9) Voting papers to be used on a poll shall be valid only if they are issued by the Society and, where the member is not voting by proxy, include any declaration required by the Legislation and shall otherwise be in such form and with such declarations as the Chairman shall direct.

(10) The Board may make regulations for the taking of polls, for the conduct of elections, for the counting of votes and for the safe-keeping or destruction of forms of proxy and ballot papers, and may appoint scrutineers in relation to any meeting and any vote to be taken thereat.

(11) The persons entitled to attend and speak at a meeting of the Society shall be: -

(i) the directors, the Chief Executive, the Secretary, the auditors and the actuary;

(ii) all members entitled to vote on any resolution included in the notice of the meeting;

(iii) any proxy, corporate representative (subject to the provisions of Rule 23 (7) or receiver or other person appointed as mentioned in, and subject to the provisions of, Rule 23 (5) and (6), acting on behalf of any such member;

(iv) any other person who is at the date of the meeting a member of the Society and to whom notice of the meeting was given;

(v) any person who is not a member of the Society but by whom or for whom benefits are being subscribed jointly by that person with a member.

(12) In the case of an equality of votes, whether on a show of hands or a poll, the Chairman of the meeting at which the show of hands takes place, or at which the poll is taken, shall be entitled to a second or casting vote.

Rule 23 - Entitlement of Members to Vote on Resolutions

(1) In this Rule "voting date" means: -

(a) the date of the meeting at which the resolution is intended to be moved, or

(b) in the case of a member appointing a proxy to vote instead of him at a meeting, the date the Society specifies as the final date for the receipt of instruments appointing proxies to vote on that resolution.

(2) Any member of the Society who is not precluded from voting by the Legislation or the Rules is entitled to vote on any resolution at a general meeting of the Society. In the event that a person is a member of the Society in more than one capacity, that person shall have only one vote.

(3) On a show of hands every member entitled to vote who is present in person shall (subject to the provisions of paragraphs (5), (6) and (7) below) be entitled to one vote.

(4) On a poll every member entitled to vote and present in person or, in the case of a resolution where the Legislation or the Rules require a vote by proxy to be allowed by proxy, shall (subject to the provisions of paragraphs (5), (6) and (7) below) be entitled to one vote.

(5) The holder of a power of attorney from a person who is a member and who is entitled to vote under paragraph (2) above shall, if the power of attorney has been duly registered with the Society

and if the power has the effect of authorising the holder to exercise the rights of the member under the Rules, be entitled to vote in all circumstances as if he were a member and in the member's stead but he shall not be entitled to appoint a proxy of an attorney.

(6) A member who is entitled to vote under paragraph (2) above but in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person in that behalf appointed by that court. 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 of the Society no later than seven days prior to the date of the relevant meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.

(7) A body corporate who is entitled to vote under paragraph (2) above may by resolution of its directors or other governing body authorise a person (who need not be a member) to act as its representative at a meeting or adjourned meeting. The original or a certified copy of the resolution shall be deposited at the registered office of the Society no later than seven days prior to the date of the relevant meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable. Such a representative shall be entitled to exercise the same powers on behalf of the body corporate which he represents as the body corporate could exercise if it were an individual member of the Society entitled to be present at the meeting.

Rule 24 - Appointment of Proxies

(1) A member of the Society who is entitled to attend, speak and vote at a meeting of the Society at which a special resolution is to be proposed or any other resolution in respect of which the Legislation requires a vote by proxy to be allowed: -

(a) may appoint another person (whether a member of the society or not) as his proxy to attend and, on a poll, to vote at the meeting instead of him, but only in respect of such resolution, and

(b) may direct the proxy how to vote upon such resolution at the meeting.

(2) No vote by proxy shall be allowed or taken on any resolution in respect of which the Legislation does not require a proxy vote to be allowed.

(3) If a member has appointed a proxy, he shall not be entitled to vote in person on a poll unless he has previously revoked the appointment of a proxy and has given written notice of such revocation to the Society either: -

(a) at the registered office of the Society before the date of the meeting in accordance with the proviso to paragraph (9) (a) of this Rule, or

(b) in such manner as the Board may prescribe, at or before the meeting.

(4) A proxy shall be appointed by an instrument in writing which shall be signed by the appointor or, if the appointor is a body corporate, under the hand of a duly authorised officer pursuant to a resolution of its directors or other governing body.

(5) The instrument appointing a proxy and, where applicable, the authority under which it is signed, shall be deposited at the registered office of the Society, or at such other place or places within the United Kingdom as is or are specified for that purpose in the notice convening the meeting, not less than seven clear days (or such shorter period as the Board may decide and specify in the notice of

the meeting) before the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument shall not be treated as valid.

(6) The instrument appointing a proxy shall be in the form prescribed by the Legislation or in such other form including such declarations or additional declarations as the Board may determine from time to time, provided that such form shall not limit the manner in which the person appointing the proxy may direct him to vote.

(7) The Board may make regulations (subject always to the provisions of the Legislation and the Rules) for the provision and return of instruments of proxy.

(8) The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll but, save as provided by this paragraph, a proxy shall have no right to speak at the meeting.

(9) A vote given at a meeting in accordance with the terms of an instrument of proxy shall be valid notwithstanding: -

(a) the previous death or incapacity of the appointor, or revocation of the proxy or of the authority under which the proxy was executed, provided that no notice in writing of any such event as aforesaid had been received by the Society at its registered office before the date of the meeting or as provided in paragraph (3) above; or

(b) that since the last date specified for the deposit of instruments of proxy the appointor has ceased to be entitled to attend and vote at the meeting.

Rule 25 - Postal Ballots

(1) Without prejudice to the provisions of paragraph (2) below the Board may determine at any time to submit any resolution for decision by postal ballot, but the power conferred by this Rule shall not be exercisable in respect of:-

(a) any resolution required by the Legislation to be passed at a meeting of the Society, or

(b) resolutions for the appointment or reappointment of an auditor or for the removal of an auditor before the expiration of his term of office.

(2) If any resolution is passed or is rejected at any general meeting or adjourned general meeting then, if in the opinion of the Board the carrying into effect of such resolution would be injurious to the Society (in the one case) or the passing of such resolution would be beneficial to the Society (in the other case), the Board may within two months after that meeting:-

(a) determine to submit the resolution for decision by postal ballot, and

(b) cause the operation of a resolution passed to be suspended until such a decision, and the Society shall (within one month of such a determination of the Board), give notice of the postal ballot in accordance with the Legislation and the Rules to every member entitled to receive notice of a general meeting of the Society.

(3) Subject to the Legislation, the voting paper shall be in such form, including such declarations and be accompanied by, or incorporate, such explanatory notes, as the Board may decide.

(4) The accidental omission:-

(a) to give notice of a postal ballot, or

(b) to send a voting paper or any document required to accompany such a notice, to any person entitled to receive it, or non-receipt of such a notice, voting paper or document by such a person, shall not invalidate the postal ballot.

(5) Subject to the provisions of the Rules and the Legislation, the Board may make regulations relating to the ballot, including the conduct of the ballot, and such regulations in relation to the conduct of the ballot may include the appointment of scrutineers and a person to decide all questions which may arise relating to the postal ballot except such as are by this Rule delegated to the Board, and the Board shall announce the result of the postal ballot in such manner as the Board shall determine.

(6) On a postal ballot every member entitled to vote shall have one vote.

(7) The matter in question shall be decided by the appropriate majority of the votes given and, where relevant, the appropriate proportion of eligible members voting and if the decision is:-

(a) to rescind a resolution, it shall be rescinded as from the time at which the counting of the votes is completed, but any such rescission shall not affect the validity of any act done under the resolution before it was suspended, or

(b) to carry into effect or to pass a resolution, that resolution shall come into effect as from the time at which the counting of the votes is completed.

Rule 26 - Counting of Votes

If on a show of hands a poll or a postal ballot:-

(a) any votes are counted which ought not to have been counted, or

(b) any votes are counted which ought to have been counted, the error shall not vitiate the decision arrived at unless it has been in the opinion of the Chairman or in the case of a postal ballot the person appointed by the Board pursuant to regulations made under Rule 25 (5) of sufficient magnitude so to do.

Rule 27 - Disputes

(1) If any dispute shall arise between a member or person claiming through a member or under the Rules, or any person aggrieved who has ceased to be a member, or any person claiming through such person aggrieved, and the Society, or any officer of the Society, it shall be decided by reference to arbitration, under the conditions set out at sub-section (2) of this Rule or, where both parties to the dispute so consent, by reference to the County Court.

(2) Three Arbitrators shall be elected at a general meeting, none of them being directly or indirectly interested in the funds of the Society, and any vacancy or vacancies shall be filled at a general meeting. The complaining party to a dispute, or someone appointed by him, shall draw one name out of the three by lot and the Arbitrator whose name is drawn shall decide the dispute.

(3) The decision of the Arbitrator shall be final and binding on the parties, without appeal, and shall not be removable into any Court of Law, or restrainable by injunction, and application for enforcement thereof may be made to the County Court.

(4) In the event of the matter in dispute being decided in favour of the member, former member or the person complaining on his behalf, the Board may pay any reasonable costs incurred by or on behalf of the member with regard to the arbitration.

(5) In default of determination under sub-section (2) above and upon the expiry of 40 days beginning with the day on which application was made for such determination, either party may apply for determination of the dispute by the County Court.

(6) In this Rule the expression "dispute" includes any dispute arising on the question whether a member or person aggrieved is entitled to be or to continue to be a member or to be reinstated as a member but, save as aforesaid, in the case of a person who has ceased to be a member, does not include:

(a) any dispute other than a dispute on a question which arose whilst he was a member or arises out of his previous relation as a member to the Society, and

(b) does not include a dispute which has arisen as a result of and incidentally to a dispute between a member, or person aggrieved who has ceased to be a member and a person claiming through him or under the Rules of the Society.

Rule 28 - Alteration of Memorandum and Rules

(1) The majority of the members at a general meeting of which notice has been given specifying the intention to propose an alteration to the Memorandum or Rules may alter them by adding, rescinding or varying any provision.

(2) Copies of a record of every alteration of the Society's Memorandum or Rules shall be sent to the Central Office within 3 months of the date when the alteration was made.

(3) No alteration of the Society's Memorandum or Rules shall take effect until it is registered or such later date as is specified in the record of alteration.

(4) Subject to paragraphs (3), (7) and (8) of this Rule and notwithstanding paragraph (1) above, the Board may alter the Memorandum, the Rules or any Schedule to the Rules by adding, varying or rescinding any provision.

(5) Where the Memorandum or Rules are altered in accordance with paragraph (4) above, a resolution to approve the alteration shall be put to the next general meeting of the Society.

(6) Where the Memorandum or Rules are altered in accordance with paragraph (4) above and a resolution to approve the alteration is not passed at the general meeting specified in paragraph (5) above:-

(a) the alteration shall cease to be acted on from the conclusion of that general meeting, and

(b) the Memorandum or the Rule (as the case may be) as it existed prior to the alteration shall be taken to be a further alteration and be submitted for registration as a Memorandum or Rule (as the case may be) alteration forthwith, but failure to pass such a resolution shall not invalidate any act or policy of the Society effected under the altered Memorandum or Rule (as the case may be) prior to that general meeting.

(7) The Society may change its name by a resolution of the Society in general meeting after the giving of such notice as is required for a special resolution. Notice of the change shall be sent to the Central Office in the prescribed form within three months of the date of the change.

(8) The Society may change its Registered Office by a resolution of the Board. Notice of the change shall be sent to the Central Office in the prescribed form within three months of the date of the change.

Rule 29 - Notices to the Secretary and by the Society

(1) Any notice or other document to be served on the Society under the Rules may be served either:-

(a) by leaving it, addressed to the Secretary at the Registered Office of the Society, or

(b) by sending it by pre-paid post, or delivering it, to him at that Office.

(2) Any notice or other document to be served by the Society on a Director or a member under the Rules may be served either on him personally or by sending it by post addressed to him at his last known address and a notice or document so sent and addressed shall be deemed to have been duly served 48 hours after having been posted.

(3) Except where required by the Legislation, the Rules or otherwise, the Society shall not be bound to communicate with the members generally or with any class of members in any other manner than by advertisement.

Rule 30 - Accounts

(1) The Board shall cause accounting records of the Society to be kept, and shall establish and maintain systems of control of its business and records and of inspection and report, in accordance with the Legislation.

(2) The Board shall cause to be maintained separate accounts for, and which identify the separate assets of, any subsidiary company or companies.

(3) The Board shall, before 1st July in each financial year, send to the Commission a statement of their opinion whether the requirements of the Legislation have been complied with in respect of the last financial year by the Society.

(4) The Board shall in each financial year, not later than 30th June or 14 days before the Annual General Meeting, whichever is the earlier, send two copies to the Commission and one copy to the Central office of the Annual Accounts for the last financial year, the Board's report for that year and the Auditors' report on those accounts.

(5) The Secretary shall supply free of charge to every member on demand copies of the Annual Accounts for the last financial year, the Board's report for that year and the Auditors' report on those Accounts, and he shall ensure that copies of such documents are also made available at every Office of the Society.

(6) The Board shall in each financial year, not later than 1st October, also send to the Commission an additional report prepared by the Auditors, in accordance with the Legislation on the conduct of the activities of the Society for the last financial year.

Rule 31 - Inspection of Records

The Board shall make available for inspection by any member or person having an interest in the funds of the Society the records of the Society relating to that member or person at all reasonable hours, at the Registered Office of the Society, or at any place where the records are kept, and it shall be the duty of the Secretary to produce the same accordingly. However, such 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 the right to inspect the records of the Society relating to any other member other than the details entered in the Society's register without the written consent of that member.

Rule 32 - Auditors

(1) At each Annual General Meeting the Society shall appoint a qualified auditor to audit its annual accounts. An individual, firm or company may be appointed as auditor. The Society shall, within one week of the date of the meeting, notify the Commission if no auditor has been appointed or re-appointed.

(2) For the purpose of this Rule a qualified Auditor is one who is a member of any of the supervisory bodies recognised under the Companies Act 1989 and is not ineligible for appointment under the Rules of that body. None of the following shall be appointed as Auditor of the Society:-

(a) an Officer or employee of the Society, or

(b) a partner or an employee of such a person or a partnership of which such a person is a partner, or

(c) a person who has, or whose associates have, connections with the Society or any of its subsidiaries, or

(d) a person who is ineligible by virtue of Section 27 (1) (a) or (b) of the Companies Act, 1989 or Article 20 (1) of the Companies (Northern Ireland) Order 1990.

(3) The Board may appoint an Auditor to fill any casual vacancy occurring between general meetings of the Society.

(4) The remuneration, including any sums in respect of expenses, to be paid to the Auditor shall be fixed by the Board or in such manner as the kKSociety shall determine at a General Meeting.

(5) A Society may by ordinary resolution in general meeting remove an Auditor before expiration of his term of office, and notice of such resolution shall be sent within 14 days by the Secretary to the Central Office. A resolution at an Annual General Meeting or a Special General Meeting of the Society

(i) removing an Auditor before the expiration of his term of office, or

(ii) appointing another person as Auditor in place of a retiring auditor

shall not be effective unless notice of the intention to move it has been given to the Secretary not less than 28 days before the meeting at which it is to be moved. On receipt of notice of intention to move any such resolution, the Secretary shall give notice of the resolution to the members and to the person proposed to be removed, or as the case may be, to the person to be appointed and to the retiring Auditor. The Secretary shall, unless on application the Court directs otherwise, also inform the members of any representations made by the person proposed to be removed, or as the case may

be, the retiring Auditor, and shall make copies of the representations available at the meeting at which the resolution is to be moved.

(6) Where the Society receives from an Auditor a written notice of his resignation of office, the Secretary shall, within 14 days, send a copy of that notice to the Central Office.

(7) Where the Society receives from an Auditor, on cessation of his office, a statement of any circumstances which he considers should be brought to the attention of the members and creditors of the Society, the Secretary shall, unless on application the Court directs otherwise, call a Special General Meeting and send a copy of such statement to the members.

Rule 33 - Actuary and Valuations

(1) The Society shall have an Actuary who shall be appointed and whose appointment may be terminated by the Board. The Board shall notify the Commission of all appointments and changes.

(2) The Board shall arrange for the Actuary to conduct an investigation and report accordingly into the financial condition of the Society in respect of its long-term business, in accordance with the Legislation.

Rule 34 - Application of Funds

(1) All monies received on account of contributions or premiums in accordance with the Rules, or on account of levies, donations or otherwise, shall be applied in carrying out the objects of the Society in accordance with the Rules.

(2) Both monies received and interest on investments shall be credited to the appropriate funds.

(3) Any transfer of assets between the Society and any subsidiary shall be at arms length and for a property market value consideration and there shall be a proper apportionment of all items of money and expenses between the society and its subsidiaries.

Rule 35 - Investment of Funds

(1) The funds of the Society, with the approval of the appointed Actuary, may be applied or invested in the purchase of or at interest upon the security of such stocks funds shares securities or other investment or property of whatsoever nature and wheresoever situate and whether involving liability or not as the Board shall in their absolute discretion think fit to the intent that the Board shall have the same power of investing and or transposing of investments in all respects as if they were absolute beneficial owners thereof.

(2) Without prejudice to the power of the Society to invest its funds in property, the Society may acquire and hold premises:-

(a) for the purpose of carrying on any of its activities; or

(b) for the purpose of enabling a subsidiary of the Society, or a body jointly controlled by the Society, to conduct its business and may dispose of any premises so held.

Rule 36 - Borrowing

The Society may borrow money with or without security and on such terms as to interest repayment and otherwise as the Board may in their absolute 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 other way as to the propriety of the transaction or the application of the money.

Rule 37 - Complaints

Without prejudice to the provisions of Rule 27, the Board may:-

- (a) establish internal procedures for the resolution of complaints by members of the Society, or
- (b) make, join with any other persons in making, or accede to a scheme or schemes for the investigation and settlement by an adjudicator of complaints,

but a member shall not thereby be prevented from referring any dispute to arbitration under Rule 27 nor shall the determination of a complaint under this Rule prevent a member from referring any dispute to arbitration under Rule 27.

Rule 38 - Voluntary Dissolution

The Society may at any time be dissolved by an instrument of dissolution approved by a special resolution of the Society.

Rule 39 - Distribution of Surplus Assets on Winding-up or Dissolution

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

Rule 40 - Common Seal

- (1) The Common Seal of the Society shall bear the name of the Society.
- (2) The Society may have in addition to the Common Seal one or more other Seals each of which shall be a facsimile of the Common Seal. Any provisions relating to the safe custody and otherwise of the Common Seal shall also apply to any such facsimile Seals.
- (3) The Common Seal shall be kept at the Registered Office or at such other place as the Board may from time to time determine, and shall be in the custody of such individual as the Board may from time to time direct.
- (4) The Common Seal shall not be used without the authority of the Board or of a Sub-Committee authorised in that behalf and, when used or affixed to any document, such document shall be countersigned by such individual or individuals as the Board may authorise for that purpose from time to time. All documents so sealed and countersigned shall be deemed to be validly executed by the Society.

(5) In this Rule the word "countersigned" includes the use of a facsimile signature by whatever process reproduced. The use of such facsimile signature is only authorised in so far as it is permitted from time to time by law.

Rule 41 - Copies of the Memorandum and Rules

The Secretary shall give a copy of the Memorandum and the Rules

(a) free of charge, on request to any member of the Society to whom a copy of the documents has not previously been given; and

(b) to any other person on payment of the sum of £1 or such other maximum sum as may be permitted under the Legislation from time to time, or such lesser sum as may be determined from time to time by the Board.

Rule 42 - Transfer of Engagements

The Board may accept transfers of engagements from any Society, Institution or other body (whether corporate or otherwise) permitted by law from time to time on such terms and conditions as it may at its sole discretion decide.

Rule 43 - Validity of Previous Rules

No rules of the Original Holloway Society registered under the Friendly Societies Act 1974 shall have effect on the incorporation of The Original Holloway Friendly Society Limited under the Friendly Societies Act 1992 unless the same have been specifically included in the Schedules to these rules.

Rule 44 - Friendly Societies Protection Scheme

The Board may subscribe in the name of the Society to any scheme made under arrangements entered into between the Society and other friendly societies and approved by the Commission under Section 141 of the Financial Services Act 1986 for the purpose of making funds available to meet losses incurred by any society which is a party to the arrangements or by the members of any such society by virtue of their membership of it and shall, in the event of such subscription being made:-

(i) bind the assets of the Society to pay out of such fund or funds of the Society as the Board shall determine any sums required by the rules of the scheme;

(ii) nominate from time to time a person to represent the Society as a member of any company or association formed to administer such scheme;

(iii) indemnify out of the fund or funds of the Society as aforesaid such nominee against any expenses or subscriptions of such membership; and

(iv) comply with any other duties or obligations of membership of such scheme.