Holloway Friendly

Memorandum and Rule Book

Register Number 145F

31 July 2026

Previous memorandum and all previous rules rescinded

MEMORANDUM

OF

THE ORIGINAL HOLLOWAY FRIENDLY SOCIETY

LIMITED

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1 DEFINITIONS AND INTERPRETATION

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

"Act "	the Friendly Societies Act 1992;
"Appropriate Regulator"	The Prudential Regulation Authority and/or The Financial Conduct Authority as appropriate or such other authority as may replace the same from time to time or shall from time to time carry out such functions in relation to friendly societies as are at the date of registration of this Memorandum allocated to the Prudential Regulation Authority and/or the Financial Conduct Authority;
"Board"	the Committee of Management of the Society;
"Legislation"	the Act, the Financial Services and Markets Act 2000 and all regulations made thereunder and any other enactment or regulation including the Rules of the Appropriate Regulator or any of its successors from time to time relating to friendly societies.

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

1.3 Unless the context otherwise requires:

(a) words in the singular shall include the plural and in the plural shall include the singular; and

(b) a reference to one gender shall include a reference to the other genders.

1.4 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time and shall include all subordinate Legislation made from time to time under that statute or statutory provision.

2 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."

3 REGISTERED OFFICE

The registered office of the Society is to be situated in England or Wales. The current address of the registered office is Holloway House, 71 Eastgate Street, Gloucester, GL1 1PW.

4 PURPOSES

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

(a) long-term insurance business of all or any of the classes falling within Head A of Schedule 2 to the Act;

(b) general insurance business of all or any of the classes falling within Head B of Schedule 2 to the Act;

(c) business falling within Head C of Schedule 2 to the Act; and

(d) activities falling within Head D of Schedule 2 to the Act;

4.2 In addition, the purposes of the Society may include the carrying on of:

(a) social or benevolent activities which are not inconsistent with the other purposes of the Society;

(b) group insurance business; and

(c) reinsurance of risks for any other registered friendly society or any other incorporated friendly society.

4.3 Any business or activity referred to in Rule 4.1 and 4.2 above:

(a) may be carried on subject to having or obtaining (as the case may be) appropriate permission from the Appropriate Regulator;

(b) is to be carried on by the Society with a view to the provision, for its Members and such persons connected with its Members as may be prescribed in its rules, of insurance and other benefits; and

(c) is to be funded by voluntary subscriptions from Members of the Society, with or without donations.

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

5 POWERS

5.1 The Society may invest its funds in accordance with Rule 34.

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

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

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

(b) for the purpose of enabling a subsidiary of the Society, or a body jointly controlled by it, to conduct its business; and

(c) may dispose of, or otherwise deal with, any land so held by it.

5.4 The Society may borrow money with or without security and on such terms as to interest repayment and otherwise as the Board thinks fit to fulfil the purposes, and carry on the activities, of the Society (or any of its subsidiaries).

5.5 The Society may provide its subsidiaries or jointly controlled bodies with any of the following services:

(a) loans of money, with or without security and whether or not at interest;

(b) the use of services or property, whether or not for payment;

(c) grants of money, whether or not repayable;

(d) guarantees of the discharge of their liabilities; and

(e) payments towards the discharge of their liabilities.

5.6 The Society shall, subject to the provisions of the Act, its Memorandum and its Rules, have any other power which is incidental or conducive to the carrying out of its purposes and/or for doing anything which falls within Rule 5.1 – 5.5 above.

5.7 In addition to the powers set out in this Memorandum, the Society shall have all other powers specified in Part II of the Act, but no such power may be exercised by the Society except for carrying out the Society's purposes.

6 LIMITATION OF LIABILITY OF MEMBERS

6.1 The liability of a Member of the Society is limited to the amount of any subscription or amounts owed to the Society which is and/or are outstanding.

6.2 No subscription of a Member of the Society shall be recoverable at law except on the winding up of the Society.

RULES OF

THE ORIGINAL HOLLOWAY FRIENDLY SOCIETY LIMITED

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1 Rule 1 - Interpretation

1.1 In these Rules unless the context otherwise requires:

"Act"	the Friendly Societies Act 1992;
" Corporate Governance Code"	the version for mutual insurers of the UK Corporate Governance Code published by the Association of Financial Mutuals (or its replacement) from time to time;
"Annual General Meeting"	an annual general meeting of the Society held under Rule 18;
"Appropriate Actuary"	the person or persons appointed by the Board to be the holder of the Society's actuarial function and/or its with-profits actuary function and/or any other actuarial appointment required by Legislation from time to time;
"Appropriate Regulator"	the Prudential Regulation Authority and/or The Financial Conduct Authority as appropriate or such other authority as may replace the same from time to time or shall from time to time carry out such functions in relation to friendly societies as are at the date of registration of this Memorandum allocated to the Prudential Regulation Authority and/or the Financial Conduct Authority;
"Benefits"	the benefits to which a Member is entitled under his or her assurance or insurance scheme;
"Benevolent Fund"	a fund established and kept by the Society under Rule 17.4;
"Board"	the Committee of Management of the Society;
"Board Member"	a Member of the Board;
"Chief Executive"	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;
"Electronic Communications Order"	an electronic communication within the meaning of the Mutual Societies (Electronic Communications) Order 2011 and the Friendly Societies (Proxy Voting) Regulations 2011 both as amended from time to time;
"Executive Board Member"	a Board Member who is not a Non-Executive Board Member
"Financial Year"	the 12 months ending on 31st December in any year;
"Legislation"	the Act, the Financial Services and Markets Act 2000 and all regulations made thereunder and any other enactment or

	regulation including the Rules of the Appropriate Regulator or any of its successors from time to time relating to friendly societies.
"Management Fund"	a fund established and kept by the Society under Rule 17.1 to pay the expenses of management of the Society and to be otherwise dealt with under the Rules;
"Member"	a Member of the Society (and "Membership" shall be construed accordingly);
"Memorandum"	the Memorandum of the Society for the time being in force;
"Month"	calendar month;
"Non-Executive Board Member"	a Board Member who is not an Executive Board Member;
"Officer"	any Board Member, Chief Executive, or Secretary;
"Premiums"	the contributions payable by a Member under the terms of his or her scheme;
"Register of Members,"	the records of the Society comprising the register of Members maintained pursuant to the Legislation;
"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;
"Reserve Fund"	a fund established and kept by the Society under Rule 17.7;
"Rules"	the Rules of the Society for the time being in force;
"Schedules"	the Schedules forming part of the Rules prior to the adoption of these Rules;
"Secretary"	the Officer appointed by the Board to be the Secretary of the Society;
"Society"	The Original Holloway Friendly Society Limited;
"Special Resolution"	has the meaning given by paragraph 7 of Schedule 12 to the Act;
"Subsidiary"	a body corporate which is controlled or jointly controlled by the Society for the purposes of section 13 of the Act.

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

1.3 Unless the context otherwise requires:

(a) words in the singular shall include the plural and in the plural shall include the singular;

(b) A person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality); and

(c) a reference to one gender shall include a reference to the other genders.

(d) A reference to "in writing" means by prepaid letter.

1.4 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time and shall include all subordinate Legislation made from time to time under that statute or statutory provision.

1.5 The Schedules (including all Schedules attached to previous Rules) shall no longer form part of the Rules and, as such, may be varied, rescinded or added to in such manner as the Board consider fit.

2 Membership

2.1 In these Rules and subject to Rule 2.13, a Member of the Society is a person who:

(a) either

(i) 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; or

(ii) was a member of a society which has transferred its engagements to the Society immediately before such transfer took place; and

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

2.2 The Society may require further information about an applicant as it sees fit. Acceptance of an application shall be at the Society's total discretion.

2.3 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.

2.4 Membership shall commence from the date of issue of the certificate or policy to the Member.

2.5 Notwithstanding the provisions of Rule 2.1 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.

2.6 Each Member shall notify the Society within 28 days of any change of name or address or electronic address and shall produce such written evidence as the Society may require.

2.7 Each Member shall supply a specimen of his signature as and when required by the Society.

2.8 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 Board Member or as Secretary of the Society.

2.9 The parent, guardian or legal representative will cease to be able to execute all instruments or give all receipts necessary as soon as the Member attains age 16. However,

after a Member attains the age of 16 the Society will continue to correspond with the parent, guardian or legal representative until they or the Member notifies the Society (in writing) otherwise.

2.10 A Member shall notify the Society without delay of any claim or right of action the Member may have against a third party arising out of any of the circumstances which gives rise to the payment of any benefit or sum of money by the Society to the Member. The Member shall take at his own cost all steps which the Society may reasonably require in relation to any such claim or right of action against a third party including making all such payments necessary in any claim upon the other party. In the case that the Member recovers any sums from a third party in relation to such a claim or right of action the Member shall reimburse the Society for any payment, sum of money or benefit paid by the Society to the Member.

2.11 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.

2.12 A person, who satisfies the provisions of Rule 2.1(b) above but not Rule 2.1(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.

2.13 The Society may carry on group insurance in accordance with the Act and the terms and conditions of each individual group insurance scheme will provide whether or not persons are required to be a Member of the Society.

2.14 The decision of the Board on any question of whether a person is or, as the case may be, is entitled to be, a Member shall be conclusive for all purposes of these Rules.

3 Register of Names and Addresses of Members

3.1 The Society shall maintain a register (which may be an electronic register) of the names and addresses of the Members of the Society.

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

3.3 The Society need not enter in the register the address of a Member who became a Member before the incorporation of the Society or while it has no address for him and/or his whereabouts are unknown.

3.4 Where it appears to the Society that the address (and where applicable any electronic address) shown in the register for a Member is no longer current, the Society:

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

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

3.5 The names of all persons who either cease to be Members, or who cease to be entitled to be Members, shall be removed from the Register of Members.

4 Termination, Disqualifications and Forfeitures of Membership

4.1. If a Member shall make a claim on the Society's funds which is false or fraudulent as regards the amount, basis of claim or otherwise, his entitlement to any benefit from the Society shall become void and all benefit shall be forfeited and any amounts paid to the Member by the Society shall be reimbursed.

4.2 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 person is or has been in material breach of any of the Rules or policy conditions;

(b) the person's continued Membership of the Society is or may be (in the opinion of the Board) detrimental or prejudicial to the interests of the Society or Members generally; or

(c) the person has provided any false information to the Society or withheld any relevant information from the Society which the Society considers material. The Society reserves the right to use individual policy terms to support this ruling.

(d) the person has been in arrears with his or her Premiums for such period as is specified for that purpose in the applicable scheme terms and conditions;

(e) the Member's scheme has been terminated in accordance with the applicable terms and conditions.

4.3 Upon a termination of a person's membership under Rule 4.2 above, the person shall forfeit and/or repay such amount as the Board may at its sole discretion determine.

4.4 Nothing contained in Rule 4.2 and Rule 4.3 above shall prevent a Member from referring the decision of the Board under such Rules to arbitration under the provision of Rule 26.

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

(a) if the Society receives notification that he has died;

(b) if he assigns his interest in all of the benefit or assurance or insurance by virtue of which he was a Member or has ceased to be the beneficiary under all of the benefit or assurance held by him by operation of law; or

(c) if for some other reason neither the Society nor the Member has any remaining rights under any of the benefit or assurance or insurance by virtue of which he or she was a Member.

5 Nominations

5.1 A Member aged 16 years or over 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. The provisions of Schedule 9 of the Act shall apply.

5.2 Nominations, revocations and variations shall be in the form prescribed by the Society from time to time.

6 Benefits provided by the Society

6.1 After the adoption of these Rules the terms on which any person shall pay Premiums to the Society and receive Benefits from it are not contained in these Rules. The terms on which any person shall pay Premiums and the Society provides benefits shall be determined by the Board from time to time on the advice of the Actuary and with reference to the relevant product terms and/or the Schedules to the previous Rules of the Society or the rules of any society which has transferred its engagements to the Society.

6.2 Any of the risks against which persons are or are to be insured or assured by the Society may be reinsured to such extent as may from time to time be approved by the Board.

6.3 Where a Member was contributing for a Benefit or assurance under a table attached to any previous set of Rules and/or 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 Society at that time and, in the case of an assurance, the policy of assurance that was issued pursuant thereto.

6.4 The Society shall make copies of the terms on which benefits are provided available free of charge to Members of the Society at every office and send, free of charge copies of them to any Member of the Society who demands them.

6.5 Distribution of surpluses and bonuses to Members shall be determined by the Board from time to time on the advice of the Appropriate Actuary.

7 Management

7.1 The business of the Society shall be under the direction and management of the Board.

7.2 The Board shall consist of such number of Board Members as the Board Members may from time to time determine provided that there shall always be more Non-Executive Board Members than Executive Board Members. The quorum for a meeting of the Board shall be at least half of the Board Members provided that Non-Executive Board Members form a majority of those present. Board Members may be present in person or by telephone/videoconference but not by proxy.

7.3 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.

7.4 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.

7.5 Without prejudice to the generality of the foregoing Rules 7.1-7.4, the Board:

(a) shall ensure the direction and management of all affairs and business of the Society in the best interests of the Members and in accordance with best practice; and in accordance with the Memorandum, the Rules and the Legislation;

(b) shall oversee the activities of any Subsidiary or jointly controlled body;

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

(d) may remunerate the Board Members out of the funds of the Society and pay the reasonable expenses and any professional and other fees of the Board Members;

(e) 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;

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

(g) may delegate any of its powers, duties, discretions and authorities relating to the business of the Society to two or more Board Members or to a committee consisting two or more of such Board Members, Officer or other persons and/or employee or employees as it thinks fit; and the Board may impose restrictions,

revoke amend or vary the regulations applying to such delegation. Such meetings shall be conducted by the rules so far as they are applicable to those regulating the proceedings of the Board;

(h) may invest the funds of the Society in the manner authorised by the Memorandum, the Rules and/or under the Legislation and establish any reserve funds it considers necessary;

(i) may exercise the borrowing powers of the Society as the Board sees fit and in accordance with the Memorandum, the Rules and the Legislation;

(j) may alter the Memorandum or the Rules including the Schedules to the previous 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 27 but subject always to the provision for ratification of such alterations contained in Rule 27;

(k) may appoint, and change the appointment of, from time to time an actuary as Appropriate 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;

(l) may take all steps and other actions required or authorised by the Legislation and all other necessary actions in order to provide for the reinsurance of any risks against which persons are or are to be insured by the Society in accordance with s 12(3) of the Act;

(m) may take all steps and other actions required or authorised by the Legislation and all other necessary actions in order to amalgamate the Society with one or more other friendly societies in accordance with s 85 of the Act (except to the extent that the steps and actions in question are only capable of being carried out at a general meeting of the Society); and

(n) may take all steps and other actions required or authorised by the Legislation and all other necessary actions so as to take a transfer of the engagements of any other friendly society or body in accordance with s 86 of the Act (except to the extent that the steps and actions in question are only capable of being carried out at a general meeting of the Society).

(o) may exercise all of the powers given to the Society in the Memorandum

7.6 All acts done by the Board, or any sub-committee, , 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 that any person 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.

7.7 Subject always to the right of a Member or person to refer any dispute to arbitration under Rule 26 the decision of the Board on whether or not to make an ex-gratia payment or as to the amount of any forfeit shall be final and binding.

7.8 The Board may delegate all decisions relating to the remuneration of the chairman, the Chief Executive, any other Executive Board Members and the Secretary to a committee. Such committee shall consist of Non-Executive Board Members only.

8 Eligibility and Election of Board Members

8.1 No person shall be elected or appointed as a Board Member unless:

(a) he is aged 18 or over;

(b) he will be less than 70 years of age at the date on which the election would take effect; or

(c) if he will be more than 70 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 reasons for the Board's approval of his eligibility have been notified to every person entitled to vote at the election; and

(d) he has, at least one month before the date of the meeting at which his election is to be considered, complied with any requirements of the Board pursuant to Rule 8.2 below; and

(e) (except in the case of appointment under Rule 15 or nomination under Rule 8.4 below, or where a Board Member retired under Rule 16), a form nominating him, signed by not less than two Members who comply with the requirements of Rule 8.3 below, has been delivered to 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 Rule 8.3 below.

8.2 In exercise of its duties pursuant to Rule 7.5(a) the Board may require any individual nominated for election as a Board Member to supply in writing such information and 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 be submitted to any regulatory authority in accordance with the Act.

8.3 The requirements with which a Member must comply in order to be eligible to nominate an individual as a Board Member are that he must be a Member; and he must be aged 18 or over at that date.

8.4 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:

(a) without giving notice under Rule 20 nominate at the Annual General Meeting some other Member who is at the date of that meeting aged 18 or over to take the place of such retiring Board Member as a candidate for election, and such person shall be deemed to be a retiring Board Member; or

(b) 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 15.

9 Appointment of Chairman and Senior Independent Director

9.1 At its first meeting after every Annual General Meeting the Board shall elect from its number a chairman and a senior independent director both of whom shall, subject to Rule 9.3 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 Board Member 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 senior independent director shall take his place. In addition to chairing meetings of the Board the chairman

and the senior independent director shall fulfil the functions described for him in the Corporate Governance Code.

9.2 If the chairman and senior independent director so elected shall be absent from a meeting of the Board, the Board Members present at that meeting of the Board shall elect a Board Member to be chairman for the purposes of that meeting.

9.3 The Board may at any time remove the chairman or the senior independent director from office.

9.4 The Secretary shall give not less than fourteen clear days' notice in writing to all Board Members of a meeting of the Board at which it is intended to move a resolution that the chairman or senior independent director vacate that office. The notice shall set out the proposed resolution and if all the requirements of this Rule are not complied with, the resolution, even if passed, shall be of no effect. The provisions of Rule 28.2 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 the senior independent director for this purpose being his last known home address.

9.5 The Board shall fill from its number any casual vacancy (whether or not arising from its exercising its power under Rule 9.3 above) in the office of chairman or senior independent director, and a chairman or senior independent director so elected shall, subject to Rule 9.3 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 Board Member or shall resign the office.

10 Offices of Profit

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

10.2 A Board Member so appointed to an office or place of profit with a body corporate in accordance with Rule 10.1 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.

10.3 A Board Member, notwithstanding his interest (but subject to his disclosure of it), may be counted in the quorum present at any meeting at which he or any other Board Member 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.

11 Interest in Contracts

11.1 Subject to a Board Member 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 Board Member.

11.2 No Board Member may vote as a Board Member 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 any Board Member be counted in the quorum when any such contract, or proposal, is under consideration.

11.3 For the purposes of this Rule 11:

(a) The term "contract" includes any transaction or arrangement;

(b) The term "interest" does not include any interest a Board Member may have as a Board Member, Member or Officer of a Subsidiary or other associated body of the Society;

(c) No interest:

(i) in any contract provided by the Society; or

(ii) in any other financial services or other product provided, or arranged, by the Society, or by any Subsidiary;

shall be regarded as an interest so long as it is provided on substantially the same terms as would be available to Members generally; and

(d) An interest of which a Board Member has no knowledge and of which it is unreasonable to expect him or her to have knowledge shall not be treated as an interest of his or hers.

12 Appointment of Officers, Employees and Others

12.1 The Society must have a Chief Executive and a Secretary who shall be appointed and whose appointment may be terminated by the Board. The chief executive and the Secretary shall be responsible to the Board for such duties as it may delegate to them. The Board may pay them salaries, commissions and bonuses and such other remuneration as it considers fit.

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

12.3 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.

12.4 The Board may also appoint and, subject to the provisions of any contract or other instrument, terminate the appointment of (or delegate the appointment or termination powers to the Chief Executive) such employees, advisers, bankers and agents as the Board may at any time determine.

12.5 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.

13 Indemnity to Board Members, Officers and Employees

13.1 Every Board Member, 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 proper 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.

13.2 The Society may take out a policy of insurance to cover any such indemnity or liability as is mentioned in Rule 13.1 above.

14 Vacation of Office and Disqualification

14.1 A Board Member shall cease to hold office:

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

(b) if he is requested in writing by all his co-Board Members (save the Board Member in question) to resign and a resolution is thereafter passed at a meeting of the Board by at least 80% of the Members of the full Board (save the Board Member in question) that he has vacated office;

(c) 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;

(d) if he becomes bankrupt or is subject to sequestration or compounds or makes any arrangements with his or her creditors generally;

(e) 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;

(f) upon a resolution of which notice has been given under Rule 20.2 that he shall cease to be a Board Member passed by 75% of the votes cast on a poll at a general meeting;

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

(h) if he becomes prohibited by law from being a Board Member;

(i) if he contravenes Rule 11.1 by knowingly or recklessly failing to declare an interest and the Board passes a resolution that he vacate office; or

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

14.2 The Secretary shall give not less than fourteen clear days' notice in writing to all Board Members of a meeting of the Board at which it is intended to move a resolution that a Board Member vacate office. The notice shall set out the proposed resolution and if all the requirements of this Rule are not complied with, the resolution, even if passed, shall be of no effect. The provisions of Rule 28.2 shall apply to any such notice as they apply to any notice to be served on a Member of the Society, a Board Member's registered address for this purpose being his last known home address.

15 Filling of Casual Vacancies

15.1 In the case of any vacancy not occasioned by the retirement of any Board Member by rotation the Board may at any time, and from time to time, appoint a person as a Board Member to fill such vacancy.

15.2 If and whenever the Board shall resolve to increase the number of persons constituting the Board, the Board may appoint a person as an additional Board Member in order to fill any vacancy.

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

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

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

15.4 A Board Member appointed under this Rule 15 shall hold office until the conclusion of the Annual General Meeting next following such appointment.

15.5 A Board Member appointed under this Rule 15 and retiring under Rule 15.4 above shall be eligible for re-election without nomination and he shall be a retiring Board Member for the purposes of Rule 16.5. Such person will however be subject to retirement in accordance with Rule 16.1.

15.6 Notwithstanding any vacancies on the Board, the remaining Board Members may continue to act if at any time the number of Board Members falls below the minimum resolved by Rule 7.2, and 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.

16 Retirement by Rotation

16.1 Non-Executive Board members shall hold office for the period of three years after they are first elected to the Board whereupon they shall retire. Such persons may stand for re-election under Rule 16.3 but shall hold office for a period of three years only whereupon they shall retire. Thereafter such persons may stand for re-election annually but only if they have been nominated (with their consent) by the Board for re-election for a further period of one year. However no Non-Executive Board Member may serve on the Board for a period of more than 9 years unless the Board consider that nominating such person would be more beneficial to the Society than the appointment of another person. Executive members of the Board shall, where they have been elected to the Board, stand for re-election at the third annual general meeting after their election. Where such persons are co-opted to the Board Rule 15.4 shall apply to their retirement

16.2 The normal retirement age for a Board Member shall be age 70 and the provisions of Schedule 11 of the Act shall apply.

16.3 A Board Member retiring at an Annual General Meeting under Rule 16.1:

(a) shall retain office until the conclusion of the Annual General Meeting; and

(b) shall be eligible for re-election at the same Annual General Meeting without nomination provided that he is not ineligible by reason of age at the date of the Annual General Meeting (unless Schedule 11 of the Act has been complied with).

16.4 A Board Member retiring at an Annual General Meeting under Rule 16.2:

(a) shall retain office until the conclusion of the Annual General Meeting; and

(b) shall be eligible for reappointment at the same Annual General Meeting provided that Schedule 11 of the Act has been complied with and, secondly, that he is nominated by the Board for re-election (with his consent) at least 14 days before the giving of the notice for the Annual General Meeting in accordance with Rule 18.

16.5 If at an Annual General Meeting there is no contest for the office of Board Member, then, subject to the time periods in Rule 16.1:

(a) any person both eligible for election and nominated under either Rule 8.1 or Rule 8.3 shall be deemed to have been elected; and

(b) any retiring Board Member offering himself for re-election who is qualified under Rule 8.1 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 20.2 that he shall cease to be a Board Member shall be passed by 75% of the votes cast on a poll at an Annual General Meeting.

16.6 If at an Annual General Meeting there is a contest for the office of Board Member in that the number of candidates for election or re-election to the Board (including Board Members retiring under this Rule and Rule 15.4) 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 Board Members 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 Rule 16.6(d) above.

17 Funds, Reserves, Pension and Other Schemes

17.1 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 Appropriate Actuary may from time to time advise.

17.2 All expenses relating to the management of the Society shall be paid from the Management Fund.

17.3 The apportionment of the expenses of the management of the Society, any taxes levied on the Society and the allocation of the investment income of the Society as between the different funds and parts of the funds held by the Society from time to time shall be allocated by the Board on the advice of the Appropriate Actuary. Subject to the advice of the Appropriate 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.

17.4 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.

17.5 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.

17.6 Any deficiency in the Management Fund shall, on the advice of the Appropriate Actuary, be made up by a transfer from the Reserve Fund.

17.7 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.

17.8 Subject to Rule 17.10 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.

17.9 In addition to the powers in Rule 17.8 the Board may, subject to Rule 17.10 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; and

(c) any widows, spouses, children or dependants of such Officers and employees mentioned in Rule 17.9(a) or Rule 17.9(b) above as the Board may think fit.

17.10 The Board may make, vary and revoke the rules of any such fund or scheme as is mentioned in Rule 17.8 or 17.9 (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.

18 Annual General Meeting

18.1 The Society shall in each calendar year hold a meeting as its Annual General Meeting at such day, hour and place as the Board shall determine. Not more than 15 months shall elapse between the date of one Annual General Meeting and that of the next.

18.2 The Board shall lay before the Members at the Annual General Meeting the Annual Accounts of the Society for the last Financial Year, and shall also submit to them a report by the Board (called in these Rules "the Board ' Report") and which shall include information required by the Legislation, the Rules and the Corporate Governance Code.

18.3 Every notice of an Annual General Meeting (including any advertisement) shall, unless the Annual Accounts accompany the notice, state that copies of the Annual Accounts, the Board Report and the auditor's Report are available free of charge to Members of the Society, and may be sent free of charge to a Member making written request for the same.

18.4 In these Rules "Annual Accounts" means the classes of document (including the notes to them) which the Society is required (unless otherwise exempted) by 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.

18.5 The report of the auditors on:

(a) the Annual Accounts;

(b) the Board Report; and

(c) any other report the Board considers appropriate under the Corporate Governance Code;

shall be laid before that meeting and shall be available for inspection by any Member.

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

(a) the Annual Accounts;

(b) the Board Members' Report;

(c) the report of the auditors on the documents above;

(d) the election and re-election of Board Members;

(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 20; and

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

(h) any other urgent business brought before the meeting by its chairman.

18.7 For the avoidance of doubt, where a vote occurs at an Annual General Meeting either by poll or show of hands any person entitled to vote may instead of voting in person at the Annual General Meeting vote electronically if such procedure for electronic voting has been established and approved by the Board.

19 Special Meetings

19.1 All general meetings other than Annual General Meetings shall be called Special General Meetings. The Board may, whenever it thinks fit, convene a Special General Meeting.

19.2 The Board shall convene a Special General Meeting on the requisition of not less than 100 Members of the Society qualified under Rule 19.3 below. The requisition shall state the objects of the meeting (which must however not include the election of a Board Member) 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.

19.3 A Member shall be qualified under this Rule for the purposes of Rule 19.2 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 over age 18 and entitled to attend, speak and vote at a general meeting of the Society on the date of the requisition.

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

(a) the Board shall, within 28 days after the date of deposit of the sole Requisition, or the date of deposit of the last requisition sufficient to comply with the requirements of Rule 19.2 above, proceed to despatch notices convening a meeting;

(b) such meeting referred to in Rule 19.4(a) above shall be held within 63 days of the date of the notice of such meeting;

(c) if a meeting does not occur as required by Rule 19.4(a) - Rule 19.4(b) 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 last requisition;

(d) a meeting convened by the requisitioners pursuant to Rule 19.4(c) 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 20;

(e) any reasonable expenses incurred by the requisitioners by reason of the failure of the Board duly to convene a meeting shall be repaid to them by the Society. The Society shall be entitled to set off any sums owed by the Society to the requisitioners under this Rule 19.4(e) against any sums owed to the Society by the requisitioners; and

(f) 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.

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

19.6 Except where the requisitioners themselves convene a Special General Meeting under Rule 19.4, Special General Meetings shall be held at such day, hour and place as the Board shall determine.

20 Notice of Meetings

20.1 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 Rule 20.11 below. The Annual General Meeting shall be described as such in the notice of the meeting. The notice shall include the agenda for the meeting

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

20.3 For the purposes of Rule 20.2:

(a) the "requisite number" is 20;

(b) a "qualified Member" is one who:

(i) has been a Member of the Society for more than two years prior to the date of the notice; and

(ii) is aged over 18 and entitled to attend, speak and vote at a general meeting of the Society.

20.4 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 Rule 20.2(b) above if:

(i) written notice complying with the requirements of Rule 20.2 above and, if submitted, any statement given (of the kind mentioned in Rule 20.2(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 Rule 20.2 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 or electronic 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.

20.5 Subject to the provisions of Rule 20.4 above, the Board shall include in the agenda any resolution or business properly notified in accordance with Rule 20.2.

20.6 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 14 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.

20.7 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 or in accordance with the Electronic Communications Order.

20.8 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.

20.9 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.

20.10 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.

20.11 The persons entitled to notice of a meeting shall be and those Members 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.

20.12 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.

20.13 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.

20.14 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.

21 Procedure at Meetings

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

(a) where the meeting is a Special General Meeting requisitioned under Rule 19.2, by 100 Members present and entitled to vote on a show of hands; and

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

21.2 If no quorum shall be present within half an hour after the time appointed for the Annual or Special General Meeting or at any time during such meeting:

(a) where the meeting is not a Special General Meeting requisitioned under Rule 19.2, the chairman of the meeting shall adjourn the meeting to such day, hour and place as he shall direct; and

(b) where the meeting is a Special General Meeting requisitioned under Rule 19.2, the chairman of the meeting shall dissolve it.

21.3 The chairman of the Board or, in his absence, the senior independent director of the Board, shall preside at every meeting of the Society. If there is no such chairman or senior independent director, or if neither the chairman nor the senior independent director is present within fifteen minutes after the time appointed for the holding of the meeting, or if both the chairman and the senior independent director are unwilling to act, the Board Members present shall elect one of their number to be chairman of the meeting. If at any meeting no Board Member is willing to act as chairman, or if no Board Member is present within fifteen minutes after the time appointed for holding the meeting, the Members present and entitled under Rule 21.1 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.

21.4 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 Rule 21.12 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 20.14 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.

21.5 The Members present at an adjourned meeting and entitled under Rule 21.1 above to be included in the quorum for the meeting shall be a sufficient quorum.

21.6 Every question submitted to a general meeting shall be decided by a simple majority and such votes shall be taken in the first instance by a show of hands.

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

(a) the chairman of the meeting; or

(b) 10 Members who are entitled to vote at the meeting and are present:

(i) in person;

(ii) by representative under Rule 22.4; or

(iii) 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 Rule 21.12.

21.8 No poll shall be permitted upon a resolution to appoint a chairman.

21.9 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.

21.10 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 Board Member or auditor, a poll shall be deemed to have been demanded by the chairman.

21.11 Except in the case of a motion for a Special Resolution or of a contest for the office or appointment of Board Member 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.

21.12 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 16.4 in the case of a contested election of Board Members) in such manner, subject to Rule 21.13 below, as the chairman directs, and the result of the poll shall, notwithstanding Rule 21.4 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 the question of an 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.

21.13 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.

21.14 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.

21.15 The persons entitled to attend and speak at a meeting of the Society shall be:

(a) the Board Members, the Chief Executive, the Secretary, the auditors and the Appropriate Actuary;

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

(c) any proxy, corporate representative (subject to the provisions of Rule 22.6) or receiver or other person appointed as mentioned in, and subject to the provisions of, Rule 22.4 and Rule 22.5, acting on behalf of any such Member;

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

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

21.16 In the case of an equality of votes, whether on a show of hands or a poll, the 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.

22 Entitlement of Members to Vote on Resolutions

22.1 In this Rule "voting date" means:

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

(b) in the case of a Member appointing a proxy to vote instead of 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.

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

22.3 On a show of hands and on a poll every Member entitled to vote who is present in person shall (subject to the provisions of Rules 22.4- 22.6 below) be entitled to one vote.

22.4 The holder of a power of attorney from a person who is a Member and who is entitled to vote under Rule 22.2 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 or an attorney. 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 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.

22.5 A Member who is entitled to vote under Rule 22.2 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.

22.6 A body corporate who is entitled to vote under Rule 22.2 above may by resolution of its Board Members 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.

23 Appointment of Proxies

23.1 A Member of the Society who is entitled to attend, speak and vote at a meeting of the Society:

(a) may appoint another person (whether a Member of the Society or not) as his proxy to attend and, on a poll, to vote at the meeting instead of him; and

(b) may direct the proxy how to vote at the meeting or

(c) may vote electronically in accordance with the procedures laid down by the Society under the Electronic Communications Order.

23.2 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 Rule 23.8(a); or

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

23.3 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 Board Members or other governing body.

23.4 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, but not less than 48 hours, 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.

23.5 The instrument appointing a proxy shall be in such form as prescribed by the Board provided that such form shall not limit the manner in which the person appointing the proxy may direct him to vote.

23.6 The Board may make regulations for the provision and return of instruments of proxy.

23.7 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 Rule, a proxy shall have no right to speak at the meeting.

23.8 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 Rule 23.2 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.

23.9 The Board may from time to time prescribe:

(a) the method of determining the time at which any appointment of proxy or revocation sent by means of Electronic Communication is to be treated as received by the Society; and

(b) the procedure of the conduct of an electronic appointment of proxy including, but not limited to, the methods of establishing the authenticity and integrity of the completed electronic appointment of proxy.

23.10 If two or more valid proxy appointments are received (whether at the Society's registered office address or such other address as is described in the notice of the meeting) in respect of the same Member for use at the same meeting, the one which is last received or treated as last received in accordance with the method of determining the time of receipt (regardless of the date at which it is signed) shall be treated as replacing and revoking the others. If two or more valid but differing proxy appointments are received in respect of the same Member for use at the same meeting and the Society is unable to determine which was last received, none of them shall be treated as valid in respect of that meeting.

24 Ballots

24.1 Without prejudice to the provisions of Rule 24.2 below the Board may determine at any time to submit any resolution for decision by 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.

Such a ballot may be conducted by post or electronically or by any combination or other means as the Board sees fit.

24.2 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 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 ballot in accordance with the Legislation and the Rules to every Member entitled to receive notice of a general meeting of the Society.

24.3 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.

24.4 The accidental omission to give notice of a ballot; or 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 ballot.

24.5 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 ballot except such as are by this Rule delegated to the Board, and the Board shall announce the result of the ballot in such manner as the Board shall determine.

24.6 On a ballot every Member entitled to vote shall have one vote.

24.7 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.

25 Counting of Votes

25.1 If on a show of hands, a poll or a ballot:

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

(b) any votes are not counted which ought to have been counted;

the error shall not vitiate the decision arrived at unless the error has been, (in the opinion of the chairman or in the case of a ballot, in the opinion of the person appointed by the Board pursuant to regulations made under Rule 24.5) of sufficient magnitude to warrant vitiation. In such a case the votes shall be re-counted.

26 Disputes

26.1 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 Rule 26.2 or, where both parties to the dispute so consent, by reference to the County Court.

26.2 If any dispute arises between a Member (or a person claiming through a Member or under the Rules) or any person aggrieved who has ceased to be a Member (or any person claiming through such person aggrieved) on the one hand and the Society or any Officer of the Society on the other hand, in relation to these Rules (as against an insurance scheme) then the dispute shall be decided by a single arbitrator who shall be appointed by agreement between the parties to the dispute or, if they cannot agree, by the President for the time being of the Law Society or, where both parties to the dispute agree, by the County Court. Any decision made by an arbitrator may include a direction as to the payment of the costs incurred by the Society and other parties to the dispute and as to the payment of the arbitrator's fees and shall be binding on the parties to the fullest extent permitted by law.

26.3 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.

26.4 In default of determination under Rule 26.2 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.

26.5 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) 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.

26.6 Nothing in this Rule shall prevent any person from having their claim dealt with under the Financial Ombudsman Service before, or instead of, arbitration.

27 Alteration of Memorandum and Rules

27.1 No alteration of or addition to 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.

27.2 Subject to Rule 27.1 a 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.

27.3 Copies of a record of every alteration of the Society's Memorandum or Rules shall be sent for registration to the Appropriate Regulator as soon as reasonably possible after the date when the alteration was made. ~~.~~

27.4 Subject to Rule 27.2 and Rule 27.7, the Board may alter the Memorandum or, the Rules by adding, varying or rescinding any provision.

27.5 Where the Memorandum or Rules are altered in accordance with Rule 27.4 above, a resolution to approve the alteration shall be put to the next general meeting of the Society.

27.6 Where the Memorandum or Rules are altered in accordance with Rule 27.4 above and a resolution to approve the alteration is not passed at the general meeting specified in Rule 27.5 above:

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

(b) the Memorandum or 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.

27.7 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 Appropriate Regulator in the prescribed form as soon as reasonably possible after the date of the change.

27.8 The Society may change its registered office to anywhere in England or Wales by a resolution of the Board. Notice of the change shall be sent to the Appropriate Regulator in the prescribed form as soon as reasonably possible after the date of the change.

28 Notices to the Secretary and by the Society

28.1 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 recorded delivery post, or delivering it, to the Secretary at the registered office.

28.2 Any notice or other document to be served by the Society on a Board Member or a Member under the Rules may be served either on him personally or by sending it by pre-paid 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 or in accordance with the Electronic Communications Order.

28.3 Any notice or other document other than in Rule 28.2 sent by pre-paid post shall be deemed to have been received 72 hours after the date of posting. If there shall be any doubt as to the date that the notice or other document was posted then evidence may be adduced as to the date of delivery of the notice or other document for the purpose of ascertaining the date of service.

28.4 In other cases where a notice or document is left or personally delivered to the Society, a Member or a Board Member the same shall be deemed to have been served 24 hours after the date on which it is so left or delivered.

28.5 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.

29 Accounts

29.1 The Board shall ensure accounting records of the Society are kept, and shall establish and maintain systems of control of its business and records and of inspection and report, in accordance with the Legislation.

29.2 The Board shall maintain separate accounts for, and which identify the separate assets of, any Subsidiary company or companies.

29.3 The Secretary shall supply free of charge to every Member on demand copies of the Annual Accounts for the last Financial Year, the Board'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.

30 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. 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 register of Members.

31 Auditors

31.1 At each Annual General Meeting the Society shall appoint an 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 Appropriate Regulator if no auditor has been appointed or re-appointed.

31.2 The Board may appoint an auditor to fill any casual vacancy occurring between general meetings of the Society.

31.3 The remuneration, including any sums in respect of expenses, to be paid to the auditor shall be fixed by the Board.

31.4 The 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 Appropriate Regulator.

31.5 A resolution at an Annual General Meeting or a Special General Meeting of the Society:

(a) removing an auditor before the expiration of his term of office; or

(b) 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.

31.6 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.

32 Actuary and Valuations

32.1 The Society shall have an Appropriate Actuary who shall be appointed and whose appointment may be terminated by the Board. The Board shall notify the Appropriate Regulator of all appointments and changes.

32.2 The Board shall arrange for the Appropriate Actuary to conduct an investigation and report accordingly into the financial condition of the Society in accordance with the Legislation.

33 Application of Funds

33.1 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 purposes of the Society in accordance with the Rules.

33.2 Any transfer of assets between the Society and any Subsidiary shall be at arm's length and for a proper market value consideration and there shall be a proper apportionment of all items of money and expenses between the Society and its Subsidiaries.

34 Investment of Funds

The funds of the Society, with, if the Board considers appropriate, the approval of the Appropriate 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. 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.

35 Complaints

35.1 The Board shall establish internal procedures for the resolution of complaints by Members of the Society but a Member shall not thereby be prevented from referring any dispute to arbitration under Rule 26 nor shall the determination of a complaint under this Rule prevent a Member from referring any dispute to any statutory ombudsman scheme.

35.2 The Secretary shall give a copy of the Society's internal complaints procedure above free of charge, on demand to any Member of the Society.

36 Voluntary Dissolution

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

37 Distribution of Surplus Assets on Winding-up or Dissolution

37.1 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.

38 Copies of the Memorandum and Rules

The Secretary shall give a copy of the Memorandum and the Rules free of charge, on request to any person.

39 Law and Jurisdiction

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