

MEMORANDUM AND RULES

OF

THE RECHABITE FRIENDLY SOCIETY LIMITED

25 June 2011

Registered and incorporated under the Friendly Societies Act 1992
REGISTER NO. 218F
2 The Old Court House, Tenterden Street, Bury Greater Manchester BL9 0AL
Authorised and Regulated by the Financial Services Authority
FSA Register number 109994

The Rechabite Friendly Society Limited was originally named the Independent Order of Rechabites (Salford Unity) Friendly Society and was founded on 8th August 1835, and is now an Incorporated Friendly Society under the provisions of the Friendly Societies Act 1992.

The Society shall consist of an unlimited number of Members who either;

- a) have signed a commitment to abstain from alcoholic beverages or
- b) are temperate in their use of alcoholic beverages or
- c) whose membership has been allocated to the Society or
- d) whose membership has been transferred to the Society from another friendly society or any other organisation.

MEMORANDUM

1) Name

The Society is an incorporated Friendly Society. It is called The Rechabite Friendly Society Limited, and is hereinafter referred to as “the Society”.

2) Registered office

The registered office is to be situated in England and Wales. The address of the registered office shall be 2 The Old Court House, Tenterden Street, Bury, Greater Manchester BL9 0AL or such other place in England and Wales as the Board of the Society may decide and as registered with the relevant regulatory authority.

3) Purposes

1 The purposes of the Society shall be the carrying on 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 all or any one or more of the classes specified in Head A of Schedule 2 to the Act.
 - b) General Business of all or any one or more of the classes specified in Head B of Schedule 2 to the Act.
 - c) Business falling within Head C of Schedule 2 of the Act
 - d) Activities falling within Head D of Schedule 2 of the Act

2 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.

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

- a) social or benevolent activities which are not inconsistent with the other purposes of the Society;
- b) group insurance business;
- c) the re-insurance of risks for any other registered friendly societies or any incorporated friendly societies;
- d) the formation of subsidiaries, or taking part with other in forming bodies corporate to be jointly controlled by it, or otherwise acquiring, or keeping, control or joint control of bodies corporate and this paragraph 3(2)(d) shall

be interpreted in accordance with the Friendly Societies Act 1992 as amended from time to time.

4) Powers

The Society shall have the following powers:-

1. Investment of funds

The Society may invest its funds in any relevant investment it chooses in accordance with the Society's rules or any investment in which they are for the time being authorised by law to invest such funds into.

2. Holding of land (for purposes other than investment)

The Society may acquire and hold land (with or without security):

- i) for the purpose of carrying on any of its activities; or
- ii) 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, or otherwise deal with, any land so held by it.
- iii) The Society may erect or alter offices, houses or any other buildings on such land.

3. Assistance to subsidiaries and jointly controlled bodies

The Society may provide its subsidiaries or bodies which it jointly controls with any of the following services:-

- i) loans of money, with or without security and whether or not at interest;
- ii) the use of services or property, whether or not for payment;
- iii) grants of money, whether or not repayable; and
- iv) guarantees of the discharge of the liabilities of such subsidiaries or bodies.

The Society may make payments towards the discharge of the liabilities of any of the Society's subsidiaries or jointly controlled bodies.

4. Transfer of engagements

The Society may amalgamate with or accept the transfer of engagements of another Friendly Society in accordance with the Act or may accept the transfer of long-term business from an insurance company in accordance with Financial Services and Markets Act 2000 and the regulations made thereunder and the rules of the relevant regulatory authority as amended from time to time, subject in all cases to the advice of the Society's Actuary.

5. Accumulation of Members Surplus Fund Contribution

The Society may accumulate at interest for the use of any Member, any surplus of contributions to the funds of the Society which may remain after providing for any assurance in respect of which they are paid and for the withdrawal of the accumulations.

6. General

In addition to the powers set out in this Memorandum, the Society shall have all other powers specified in Part II of the Friendly Societies Act 1992, but no such power may be exercised by the Society except for carrying out the Society's purposes.

The Society shall, subject to the provisions of the Friendly Societies Act 1992, and the Society's Memorandum and Rules, have the power to do all such other things as are incidental or conducive to the carrying out of the Society's purposes or for doing anything falling within Schedule 5 of the Friendly Societies Act 1992 including, without limitation, the power to borrow and raise money (with or without security) and to secure or discharge any debt or obligation of, or binding on, the Society in such manner as may be thought fit and in particular by mortgages and charges upon the undertaking and all or any of the property and assets (present and future) of the Society or by both such methods, the performance of the contracts or obligations and the repayment or payment of the principal and premium of and interest and dividends on any securities or obligations of any company.

5) Limitation of liabilities 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

Expressions defined in the Rules of the Society shall, where the context permits, have the same meaning in this Memorandum.

RULES

OF

THE RECHABITE FRIENDLY SOCIETY LIMITED

25 June 2011

Registered and incorporated under the Friendly Societies Act 1992
REGISTER NO. 218F
2 The Old Court House, Tenterden Street, Bury, Greater Manchester BL9 0AL
Authorised and Regulated by the Financial Services Authority
FSA Register number 109994

INDEX

1	Membership
2	Register of Names and Addresses of Members
3	Contributions and Benefits
4	Surpluses and Bonuses
5	Re-Insurance of Risks
6	Disqualification and Forfeiture of Membership
7	Arrears
8	Sickness Benefit
9	Death Benefit
10	Nominations
11	Board of Directors
12	Eligibility and Election of the Board of Directors
13	Appointment of Chairman and Deputy Chairman
14	Remuneration and Expenses
15	Validity of Acts
16	Offices of Profit
17	Interest in Contracts
18	Appointment of Officers, Employees and Others
19	Indemnity to Board Members, Officers and Employees
20	Vacation of Office and Disqualification
21	Filling of Casual Vacancies
22	Pension and Other Scheme and Funds
23	Annual General Meeting
24	Special General Meetings
25	Notice of Meetings
26	Quorum at General Meetings
27	Procedure at General Meetings
28	Entitlement of Members to Vote on Resolutions and in Elections
29	Appointment of Proxies
30	Accounts Systems of Control
31	Inspection of Records
32	Auditors
33	Actuary and Valuations
34	Application of Funds
35	Investment of Funds
36	Disputes
37	Complaints
38	Voluntary Dissolution
39	Distribution of Surplus Assets on Winding Up or Dissolution
40	Notices
41	Copies of Memorandum and Rules
42	Amendment of Memorandum and Rules
43	Interpretation
44	Neutrality of the Society
45	Validity of Previous Rules
46	Applicable Law
47	Financial Services Compensation Scheme
48	Unit Linked Business
	Form of Nomination Revocation or Variation

Rule 1

Membership

- 1) The Society shall consist of an unlimited number of Members of both sexes, being either:-
 - a) Insured Members – being persons over the age of 16 years paying contributions or premiums under any Table, subject to the maximum age at entry prevailing from time to time for the Table under which the member is contracted; or
 - b) Honorary Members, who shall not be entitled to any financial benefit from the Society, and are not entitled to vote at meetings of the Society; or
 - c) Junior Members – being Members under the age of 16 years contributing to a Junior benefit Table. Infants may be admitted at birth, and applications for minors under the age of 16 years may be completed by parent, grandparent, guardian or other premium payer.

In these Rules “Adult Member” shall mean any Member except a Member referred to in (c) above.

- 2) All adults applying to join the Society declare and sign that they abstain from or are temperate in their use of alcoholic beverages.
- 3) The Society shall have the right to require a medical report from the proposer’s medical practitioner or medical referee appointed by the Society.
- 4) The Society shall be entitled to reject any application for membership of the Society or accept the same upon terms as the Society (or the person or persons for the time being appointed by the Board of Directors (hereafter known as “The Board”) for the purpose) shall consider fit including, without prejudice to the generality of the foregoing, such pastimes as shall be considered necessary or desirable, provided that no policy shall be issued upon special terms (which are not applicable to all other policies of the same type issued by the Society or within limits specified in the Rules) for any amount of gross sum or annuity less than that specified in the Table, unless the Society shall have given the applicant not less than fourteen days’ notice of its intention to issue the same, and such applicant shall not have withdrawn his application within such period and provided that no policy shall be issued if the effect of the issue of such a policy would be that the limits of assurance mentioned in both this Rule and Rule 3 of the Rules would thereby be exceeded.
- 5) A Member who is a minor (being under the age of 18) may, if he is over the age of 16 years of age, by himself, or if he is under that age, by his parent, grandparent or guardian, execute all instruments and give all receipts necessary to be executed or given under the Rules of the Society, but shall 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.
- 6) Members are required to advise the Chief Executive in writing of any permanent change of address of the domicile as soon as possible after the change has taken place.

Rule 2

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 3

Contributions and benefits

- 1) Every Member of the Society (other than Honorary Members) shall pay contributions or premiums and receive benefits as determined by the Board, in accordance with Rule 34, on the advice of the Actuary and in accordance with the appropriate Table. Benefits will also be subject to the conditions included in Rules 8 and 9. The Tables may be amended from time to time by the Board acting on the advice of the Actuary. The Tables or policy conditions are available free of charge to Members of the Society at every office of the Society and will be sent free of charge to any Member upon Request.
- 2) The Society may contract with any suitable person for an assurance which is tax-exempt where:-
 - a) The gross premium is not in excess of the statutory limits set from time to time by the Treasury, or
 - b) The gross sum is not in excess of the statutory limits set from time to time by the Treasury, by way of an annuity.
- 3) There is no limit by way of gross sum or annuity under life endowment business which is not tax-exempt, however, sums assured may in certain circumstances be subject to re-assurance or other limits as determined by the Board.
- 4) The above limits are exclusive of any bonus or addition declared on an assurance of a gross sum or an annuity.
- 5) The Board shall accept and honour full responsibilities for all legitimate contracts, whether enacted under those Tables for which recruitment has now ceased or enacted under former Rules and the policy contract, where applicable. Terms and conditions for all such contracts are available on application in writing to the Chief Executive.
- 6) The Society may maintain unit linked long term funds ("Unit Linked Funds") as shall be determined by the Board. Policyholders in respect of such Unit Linked Funds will be regarded as Members of the Society in accordance with Rule 1.

The Unit Linked Funds will be operated in accordance with such terms and conditions as shall be determined by the Board from time to time.

Rule 4

Surpluses and bonuses

- 1) Should the periodic valuation of any fund of the Society disclose a surplus, the Board may appropriate such portion thereof for the benefit of the Members, as the Actuary may recommend. The appropriation shall take such form as the Board may determine.

Rule 5

Re-insurance of risks

- 1) The Society may provide for the re-insurance of any risk accepted by the Society, subject to the recommendation of the Actuary.

Rule 6

Disqualifications and forfeiture of membership

- 1) Should any member of the Society:
 - i) wilfully commit repeated and serious breaches of these rules
 - ii) knowingly make any false statement or declaration with the object of imposing on the funds of the Society
 - iii) make any wilful and material mis-statement or omission in application of membership

the Member may then be expelled from the Society at the discretion of the Board.

- 2) Where it is proposed to consider the expulsion of a Member there shall be sent to him, in writing, a statement giving full particulars of the charge against him, together with a copy of the Rule under which it is brought. He shall be given an opportunity of stating his case at a meeting of the Board, notice of which shall be sent to him at least seven days before the date of the meeting.

The Member shall be entitled to attend such meeting when he may be accompanied by one other person, or may send a written statement.

If without satisfactory reason the Member fails to attend the meeting or to submit a written statement, the case shall be adjudicated upon forthwith.

The decision of the Board shall be recorded in the minutes and conveyed to the Member.

- 3) Any Member expelled from membership of the Society shall not be liable to any forfeiture of accumulations or bonuses, but shall be treated in this respect as upon resignation unless such Member has imposed on the funds of the Society or embezzled any of the Society's property, when he shall forfeit such proportion of the accumulations or bonuses as the Board may determine to be necessary in equity to recoup the Society in respect of such imposition or embezzlement, provided always that this shall be without prejudice to any criminal prosecution or any other rights the Society may have in respect of such imposition or embezzlement.

Rule 7

Arrears

- 1) Any Member who has not paid any contribution within 30 days of the date when due shall have no claim upon the fund, but such a Member may be reinstated to benefit at any time within one year, provided all arrears of contributions shall be paid together with 5 per cent interest thereon and upon satisfactory evidence of good health being produced. Subject to the foregoing, a claim shall not be prejudiced by non-payment of contributions.
- 2) Any Member who has contributed to a policy of assurance for the minimum period, as stated in the policy conditions for that contract and whose contributions are not in arrears shall be entitled to claim a surrender value calculated from Tables supplied by the Actuary. As an alternative, such Member may receive a paid up policy for a reduced sum, calculated in the case of an endowment on the proportion the actual number of contributions bear to the total number of contributions payable to the original redemption date; and in the case of a whole-life assurance, by the Board, after receiving advice from the actuary.
- 3) Any Member owing the amount of 16 weeks sickness contributions shall be suspended from all benefits and shall not be again entitled to sickness benefit until two weeks after paying up all the money due, but should the Member die within the said two weeks the death benefits shall be paid.
- 4) Where a Member has been granted a paid up policy a surrender value is payable thereon after a period of twelve months has elapsed from the date of the granting of the free paid up policy. The amount of such surrender value shall be determined by the Board, after receiving advice from the actuary.

Rule 8

Sickness Benefit

- 1) Every Member of the Society, who has subscribed to the relevant sickness Table and who has paid all contributions due and is otherwise in compliance with all relevant eligibility criteria and procedural requirements of the Society as set out in the relevant Table under which the Member is making contributions shall be entitled to receive sickness benefit in accordance with such Table, subject to Rule 34.

Rule 9

Death Benefit

- 1) Payment will be made in accordance with the applicable Table and / or policy contract and the following rules;
- 2) No money shall be paid upon the death of a Member or other person whose death is, or ought to be, entered in any register of deaths, except:-
 - a) upon production of a certificate of that death under the hand of the Registrar of Deaths or other person having the care of the register of deaths in which that death is or ought to be registered, and / or
 - b) upon production of the grant of probate to the Will of the Member or other person or of letters of administration to his estate or a certificate of confirmation to this estate, and / or

- a) upon production of a certificate signed by the claimant to indemnify the Society against all other claims in respect of the death.
- 3) In the event of any difference of age arising in connection with any claim, the Society may require production of evidence of age and may then discharge the claim according to the extent of the difference.
- 4) On the death of a Member residing outside the United Kingdom, death benefit claims shall be paid upon proof of death, satisfactory to the Board.

Rule 10

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 on his decease, but the total of money which may be so nominated shall not exceed £5,000 or such higher amount as by virtue of an order under Section 6 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 on a form supplied by the Society, delivered at, or sent to, the registered office of the Society, where shall be kept a book recording all nominations, variations and revocations.
- 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 is not 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, variations or revocations may be in the forms appended to these Rules.

Rule 11

Board of Directors

- 1) The business of the Society and any business that the Society proposes to carry on shall be under the direction of a Board of Directors (in the Rules referred to as the "Board" see Rule 43(5)) of whom not less than two thirds are Members of the Society. The Board may from time to time resolve the number who together shall constitute the Board within these limitations.
- 2) The Board may exercise all those powers of the Society that are not, by the Memorandum or these Rules, or by the Act, required to be exercised by the Society in General Meeting.
- 3) 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 that would have been valid if that Rule or alteration had not been made.

- 4) Elections to the Board shall take place at each Annual General Meeting (hereafter known as an A.G.M.).
- 5)
 - i) In addition to any Director retiring under Rule 20 (1 i or l) or 21 (4), either one third (or the whole number nearest but not exceeding one third) of the other Directors or (if their number is greater) all those of the other Directors who have not been elected or re-elected at either of the last two Annual General Meetings, shall retire from office at the Annual General Meeting in each year.
 - ii) The Directors to retire by rotation in each year shall be those who have been longest in office since their last election but, as between person who were elected or who were last re-elected Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be decided by the Board by lot.
 - iii) A Director retiring under this rule shall be eligible for re-election without nomination provided he is eligible under rule 12(1) at the date of the Annual General Meeting at which he retires and shall retain office until the conclusion of that meeting.
- 6) The Board shall appoint one of its members to be Chairman.
- 7) A majority of the total number of Directors for the time being shall be a quorum provided that a majority of the Directors forming the quorum are Members of the Society and that at least 50% of the Directors forming the quorum are Non-Executive Directors. Voting shall be by a simple majority. In the event of the votes being equal, the Chairman shall have a casting vote.
- 8) The Board shall have the authority to co-opt as an additional member of the Board any person who appears to them to be fit and proper to be a member of the Board. Any person so co-opted shall cease to hold office at the end of the permitted period, or the next A.G.M. whichever is the earlier.
- 9) The Board:-
 - a) Shall conduct the business of the Society between each A.G.M..
 - b) Shall enforce the Rules of the Society and the Resolutions of the A.G.M..
 - c) Shall hear and decide appeals unless otherwise provided for.
 - d) 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 interest of the Members and in accordance with best practice;
 - iv) in accordance with the Memorandum and these Rules, and with the Act.
 - e) Shall supervise the activities of any subsidiary or jointly controlled body of the Society.
 - f) Shall be empowered to borrow money in the name of the Society from its bankers, only in pursuance of its purposes and powers as set out within the Memorandum.
 - g) 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.
 - h) 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 interest of the Society, but no Directors (other than a holder of any executive office) shall receive any payment save as authorised by these Rules.
 - i) May make, vary or revoke regulations for the conduct of all affairs and business of the Society, provided that the same are not inconsistent with the Memorandum and these Rules, and with the Act.
 - j) May authorise the use of all forms, instruments and other documents that it may deem necessary for the proper conduct of the business of the Society.
- 10) The Board shall have the power to amend the Tables and to introduce new Tables from time to time in each case subject to the recommendation of the Actuary. Any amendments to, or closure of, an existing Table shall be without prejudice to any existing rights of Members contracted under that Table.
- 11) In the absence of the Chief Executive the Board shall authorise a suitable person to carry out the work until such time as the Chief Executive resumes his duties.
- 12) The validity of any proceedings or acts of the Board shall not be affected by any vacancy among the members or by a defect in the appointment of a member.

Rule 12

Eligibility and election of the Board of Directors

- 1) No individual shall be elected or appointed as a Board Member unless:-
either:
- a) he will be less than 70 years of age at the date on which the election, or in the case of an appointment under Rule 21, the appointment, would take effect; or
 - b) 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 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 not a minor.
- 2) In exercise of its duties under the Act the Board may require an 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 of questionnaire that, if elected, he would be required to submit to any regulatory authority in accordance with the Act.
- 3) Nominations for the Board (except Chief Executive) shall be forwarded to the Chief Executive not later than 12 weeks prior to the A.G.M., the same to be printed in the agenda of business. The election shall take place at the A.G.M. if at such a meeting there is a contest for the office of a Board member in that the number of candidates for election or re-election to the Board and Rule 21(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 of the Rules shall apply to such poll-

- i) the voting papers shall include the number of vacancies on the Board and the full names of all the candidates;
 - ii) subject to paragraph (i) above, the Board may prescribe or approve the form of the voting paper and may include such other declarations as it thinks fit;
 - iii) 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;
 - iv) the voting papers shall be void if a Member votes for more candidates than there are vacancies to be filled;
 - v) if at an Annual General Meeting there is no contest for the office of Board Member, then
 - a) any individual both eligible for election and nominated under Rule 12(1) above shall be deemed to have been elected, and
 - b) any retiring Board Member offering himself for election or re-election who is qualified under Rule 12(1) or 12(5) at the date of the meeting is then not ineligible by reason of his age shall be deemed to have been elected or re-elected unless a resolution that he shall cease to be a Board Member, of which notice has been given under Rule 25(5(b)), shall be passed by a majority of the votes cast on a poll.
- 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 20, nominate at the next A.G.M. some other individual who is at the date of that meeting:-
- i) less than 70 years of age, and
 - ii) not a minor

to take the place of such retiring Board member as a candidate for election and such individual shall be deemed to be a retiring Board member or reduce the number of vacancies to be filled at the A.G.M. 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 21.

- 5) Where a person becomes or ceases to be a Board member the Society shall in accordance with legislation give notice of that fact to the relevant regulatory authority. The notice shall state the person's full name and address and the date on which he became, or ceased to be a Board member and, in the case of a person becoming a Board member, the date of his birth.

Rule 13

Appointment of Chairman and Deputy Chairman

- 1) At its first meeting after every A.G.M. the Board shall elect from its number a Chairman, Deputy Chairman and such other Board Officers as shall be deemed necessary, who shall, subject to paragraph (3) below and approval of the relevant regulatory authority, hold office until the commencement of the first meeting of the Board held after the next A.G.M. unless he 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 Deputy Chairman shall take his place.

- 2) If the Chairman and the Deputy Chairman so elected shall both be absent from a meeting of the Board or shall both decline to act as Chairman, the Directors present at that meeting shall elect a Director to be Chairman for the purposes of that meeting.
- 3) The Board may at any time remove the Chairman, Deputy Chairman or other officers elected in accordance with Rule 13(1) above, from office.
- 4) The Board shall fill from its number any casual vacancy (whether or not arising from the exercise of its power under paragraph 3 above) in the office of Chairman or Deputy Chairman and a Chairman or Deputy Chairman so elected shall, subject to paragraph (3) above, hold office until the conclusion of the first meeting of the Board held after the next A.G.M. unless he shall cease in the meantime to be a Director or shall resign the office.
- 5) The post of Chairman/Deputy Chairman shall not be filled by any Director who is not a Member or by any Executive Director (an employee of the Society).

Rule 14

Remuneration and expenses

- 1) Non-executive Directors shall receive honoraria, fees or an attendance allowance of such amounts as may be decided by an A.G.M..
- 2) In addition to such honoraria, fees or attendance allowance, a Non-executive Directors may be paid such reasonable travelling, hotel and other expenses as he might incur while attending Society business with the approval of the Board. He may also, by resolution of the Board, be paid for professional or other work done by him on behalf of the Society in addition to his usual services as an elected Board member.

Rule 15

Validity of acts

- 1) All acts done by the Board, or any sub-committee of the Board, or any person acting as a Board member 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 Director or sub-committee member or person acting as aforesaid, 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 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 Board member.

Rule 16

Offices of profit

- 1) A Board member may hold any office or place of profit with the Society (other than the office of auditor or valuer) 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 will be, interested.
- 2) A Board member so appointed to an office or place of profit with a body

corporate in accordance with paragraph (1) above shall disclose to the Board any benefit he derives from any such office or place in the financial year in which it is received.

- 3) A Board member, notwithstanding his interest, 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. He may vote on any such appointment or arrangement other than his own appointment or the arrangement of the terms of that appointment.

Rule 17

Interest in contracts

- 1) Subject to a Board member complying with the provisions for the time being of the Act that:-
 - a) require him to declare to the Board any direct or indirect interest 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.

- 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 vote, his vote shall not be counted nor shall he be reckoned in estimating a quorum when any such contract, or proposal therefore, is under consideration.
- 3) Notwithstanding anything contained in this Rule, the prohibition contained in the foregoing paragraph (2) may at any time or times be suspended or relaxed to any extent by resolution at a General Meeting of the Society.
- 4) 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 Board member may have as a director of a subsidiary or controlled body of the Society.

Rule 18

Appointment of officers, employees and others

- 1) The Officers of the Society are the Board members, the Chief Executive and the Secretary. The Officers may elect a sub-committee to deal with urgent matters who shall then report to the Board. The sub-committee shall have the power to co-opt. The Chairman or his appointee shall attend all meetings of the sub-committee.
- 2) The Society must have a Chief Executive and a Secretary who shall be

appointed by the Board on such terms as it shall think fit and whose appointment may be terminated by the Board. The offices of Chief Executive and Secretary may be held by the same person. The Chief Executive shall not hold the post of Chairman.

- 3) The Chief Executive is responsible under the immediate authority of the Board for the conduct of the business of the Society.
- 4) The Board will take all reasonable steps to ensure that the person appointed as Chief Executive has the requisite knowledge and experience to discharge the functions of his office. In consideration of the several duties required of him the Chief Executive shall receive for his services such remuneration as the Board may from time to time determine.
- 5) Where a person becomes or ceases to be the Chief Executive or Secretary, the Society shall within seven business days give notice of that fact to the relevant regulatory authority stating the person's full name and address and the date on which he became, or ceased to be, Chief Executive or Secretary.
- 6) Agents, Advisors and Other – The Board may also:-
 - a) Appoint and terminate the appointment of such employees, advisers and agents to the Society as the Board may at any time determine;
 - b) Appoint under this Rule more than one person to any office or place with the exception of the office of Chief Executive;
 - c) Require from any person appointed under the Rule such guarantees as in its judgement shall appear necessary.
- 7) The powers and duties of person appointed under this Rule shall be those given them from time to time by the Board which shall 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 19

Indemnity to Board Members, officers, and employees

- 1) Every Board member, every other Officer, and every employee of the Society shall be indemnified by the Society against any liability in respect of losses, costs, charges, damages and expenses which might arise from, or in the course of, his duties, but not against any such liability as, by virtue of any rule of law or of the Act, would attach to him in respect of any negligence, default, breach of duty or breach of trust of which he might 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 20

Vacation of office and disqualification

- 1) A Board Member shall cease to hold office:-
 - a) if he resigns his office by notice in writing to the Chief Executive;
 - b) if he takes up a permanent residence outside the United Kingdom;

- c) if he is requested in writing by all his co-Board members to resign and a resolution that he has vacated office is thereafter passed at a meeting of the Board by at least four-fifths of the members of the full Board;
 - 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 might 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 he is admitted to hospital under the provisions of the Mental Health (Scotland) Act 1984 or the provisions of the Mental Health Act (Northern Ireland) 1961, or
 - 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 25 that he shall cease to be a Board member passed by a majority of the votes cast on a poll at a General Meeting;
 - h) If, whilst a Board member and without the prior consent of his co-Board members, 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 A.G.M. next following the date at which he attains 70 years of age, unless he is re-elected at that meeting, the requirements of Rule 12(1)(b) having been satisfied;
 - j) If he becomes prohibited by law from being a Board member;
 - k) If he contravenes Rule 17(1) by knowingly or recklessly failing to declare an interest and the Board passes a resolution that he has vacated office;
 - l) Upon conclusion of the A.G.M. next following the time at which he has served 9 years as a Board member, unless he is re-elected at that meeting, following resolution by the Board that he remains independent;
 - m) If he ceases to be an approved person for the purposes of the rules of the relevant regulatory authority.
- 2) The Chief Executive shall give not less than 14 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 has vacated 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 40 shall be deemed to apply to any such notice.

Rule 21

Filling of casual vacancies

- 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 an individual as a Board member to fill such a vacancy.
- 2) If the Board resolves to increase the number of members of the Board within the limitations prescribed by Rule 11(1), the Board may appoint an individual as an additional Board member in order to fill any vacancy.
- 3) The Board shall appoint under this Rule only an individual who:-

- a) appears to it be fit and proper to be a Board member and,
 - b) is qualified under Rule 12 (1) (as far as that Rule is applicable), and
 - c) is not a person who, having been nominated for election as a Board member at any election held within the preceding 12 months, was not elected as a Board member.
- 4) A Board member appointed under this Rule shall hold office until the conclusion of the A.G.M. next following such appointment or, if earlier, the expiration of the period of 16 months beginning with the date of his appointment.
 - 5) A Board member appointed under this Rule and retiring under paragraph (4) above shall be eligible for election without nomination, provided that he is qualified under Rule 12(1) at the date of the A.G.M., at which he retires and is not ineligible by reason of his age on that date.
 - 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 prescribed by Rule 11, the Board so constituted, although its members are insufficient to form a quorum, may act by a majority of its members for a maximum period of 4 months but the Chairman shall, notwithstanding any regulation under Rule 11(9)(g) not have a second casting vote.

Rule 22

Pension and other schemes and funds

- 1) In this rule the term "Officers" excludes any Board member who does not hold or has not held any executive position in the Society in addition to that of Board member.
- 2) 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:
 - a) past, present or future Officers and employees of the Society;
 - b) past and present Officers and employees of any society with which the Society merges in the future;
 - c) the spouses, children and dependants of persons referred to in subparagraphs (a) or (b) hereof.
- 3) In addition to the powers aforesaid the Board may 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 spouses, children or dependants of such Officers and employees mentioned in a) or b) hereof.
- 4) The Board may make, vary and revoke the rules of any such fund or scheme as is mentioned in paragraph (2) (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 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 that may be or may have been pursuant thereto.

Rule 23

Annual General Meeting

- 1) The Society shall hold an A.G.M. in each financial year, at such hour, date and place as the Board shall determine.
- 2) Not more than 15 months shall elapse between the date of one A.G.M. and that of the next.
- 3) The Board shall lay before the Members at the A.G.M. 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 Report of the Board of Directors”) on the business of the Society, which report shall include the information required by or under the Act.
- 4) Notice of the A.G.M. which shall state that copies of the Annual Accounts are available to Members, on request, shall be sent to each Member who would be eligible to vote at the A.G.M..
- 5) In these Rules “Annual Accounts” means the classes of document (including the notes to them) the Society is required (unless otherwise exempted) by or under the Act to prepare by way of accounts for itself individually and, if it has controlled bodies, by way of group accounts for itself and those controlled bodies.
- 6) The report of the auditors on:
 - a) the Annual Accounts laid before the A.G.M., and
 - b) the Report of the Board

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

- 7) No business shall be transacted at an A.G.M. and no resolutions shall be brought forward at any such meeting, except as may arise upon:-
 - a) the Annual Accounts laid before the meeting;
 - b) the Report of the Board;
 - c) the Report of the auditors on the documents listed in (a) and (b) 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 Members’ notice received by the Society in accordance with the provisions of Rule 25; and
 - g) business (including a motion for a resolution, whether special or ordinary, or a motion to add to, alter or rescind any provision of the Memorandum or any of the Rules) brought before the meeting of the Board.
- 8) Any Past Chairman may attend an A.G.M. or S.G.M. and may speak on invitation by the Chairman.

Rule 24

Special General Meetings

- 1) All General Meetings other than the A.G.M. shall be called Special General Meetings.
- 2) The Board may, whenever it thinks fit, convene a S.G.M..
- 3) The Board shall convene a S.G.M. on the requisition of not less than 100 Members. The requisition shall state the objects of the meeting (which must not, however, include the election of a Board member) and shall be signed by the requisitioners and deposited at the Registered Office and may consist of several documents in like form each signed by one or more requisitioners. A deposit of £10 in respect of each requisitioner signing the requisition shall be lodged with it. 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) No business shall be entertained at any S.G.M. except such as shall be stated in the notice convening the meeting.
- 5) S.G.M.s shall be held at such hour, date and place as the Board shall determine.
- 6) 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 S.G.M.. Any meeting so convened shall not be held after the expiration of five months from the date of 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 notice shall be sent by post to those requisitioners by the Society. Any sum so paid shall be recovered by the Society from the defaulting Board members (whether by way of retention of fees or other remuneration in respect of services, or otherwise). The Board or, as the case may be, the requisitioners, shall give the Members notice of any resolution the requisitioners propose to move at the meeting at the same time and in the same manner as notice is given of the meeting.

Rule 25

Notice of meetings

- 1) At least 28 clear days notice, expiring on the final date for the receipt of proxies under Rule 29, of every General Meeting, whether an A.G.M. or a S.G.M. specifying the hour, date and place of the meeting, shall be given to Members as provided in paragraphs 4 and 9 hereof:
- 2) The notice shall specify:
 - a) the nature of any resolution to be moved at the meeting and of the other business to be transacted thereat, and

- b) the full name of each candidate for the office of Board Member or auditor, unless the nomination has been made, or in the case of an auditor his nomination has been received, too late for his candidature to be included in, or to accompany, the notice.
- 3) The A.G.M. shall be described as such in the notice of meeting. The notice shall state that –
 - i) a Member entitled to attend and vote may appoint one proxy to attend and, on a poll, vote at the meeting instead of him; and
 - ii) the proxy need not be a Member of the Society, and
 - iii) the Member may direct the proxy how to vote at the meeting.
- 4) Notice of a meeting shall be sent to every Member who would be eligible to vote at the meeting if the meeting were held on the date of the notice, or in the case of a S.G.M. requisitioned by 100 or more Members, by public announcement in at least one national newspaper in England and Wales and one national newspaper in Scotland.
- 5) For the purpose of the following paragraphs of this Rule the following expressions shall have the following meanings:-
 - a) “Requisite Number” means 100, and
 - b) “Members’ Notice” means a notice given to the Society in writing (whether in one or more documents) by at least the Requisite Number of Members, of their intention to have moved on their behalf at an A.G.M. a resolution that is specified in the notice and is either a Special Resolution or an Ordinary Resolution.
- 6) If the Society receives a Members’ Notice, subject to paragraphs 7 and 8 hereunder the Board shall:-
 - a) include in the notice of the A.G.M. a notice specifying the intention of those Members moving it to have the resolution moved on their behalf at that meeting and, if applicable, the intention to move it as a Special Resolution and
 - b) at the request of the Members intending to have the resolution moved on their behalf, include in the notice of that meeting to each Member entitled under paragraph (4) above 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.
- 7) The Board shall be under no duty:-
 - a) to include a Members’ Notice in a notice of the A.G.M. or
 - b) to send Members such a statement as is mentioned in paragraph 6(b) above if:
 - i) the Members’ Notice (or the last of the documents sufficient to enable it to comply with the requirements of paragraph 5(b)) and, if submitted, any statement given (of the kind mentioned in paragraph 6(b)) are given to or lodged with the Society later than 90 days after the last day of the Society’s financial year, preceding that in which the A.G.M. at which it is intended to move the resolution is held or;
 - ii) the resolution specified in the Members’ Notice and if lodged, any such statement does not relate directly to the affairs of the Society or;

- iii) publicity for the resolution specified in the Members' Notice or, as the case may be, the statement in the opinion of the Board would be likely to diminish substantially, the confidence of investing members of the public in the Society or;
 - iv) the rights conferred by paragraph (6) above are in the opinion of the Board being abused to seek needless publicity or defamatory matter or for frivolous or vexatious purposes or;
 - v) the resolution specified in the Members' Notice is in substantially the same terms as any resolution that has been defeated at a meeting during the period within the third A.G.M. before the date on which the Members' Notice (or the last of the documents sufficient to enable it to comply with requirements of paragraph 5(b)) is given to the Society.
- 8) If it is not practicable for any reason to include in the notice of the A.G.M. a notice given by representatives in accordance with paragraph 5(b) above, the notice so given together with any statement lodged in accordance with that paragraph shall be sent with the notice of that meeting. If, however, that is not practicable, the notice so given and any statement so lodged shall be sent as soon as practicable after the despatch of the notice of that meeting.
- 9) A notice of a meeting shall be given by the Society by sending it by post to the registered address of the Member where this is known and in this paragraph and in paragraph (10) below the term "notice" includes any such notice given or statement lodge by representatives as it required to be sent by paragraph 5(b).
- 10) The accidental omission to send a notice of a meeting to, or the non-receipt of a notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

Rule 26

Quorum at General Meetings

- 1) No business shall be considered at any A.G.M. or S.G.M. unless a quorum is present and a quorum shall be constituted for all purposes by 25 Members present in person or by proxy and entitled to vote. However in respect of a S.G.M. requisitioned by 100 Members under Rule 24 the quorum shall be 75 Members present in person or by proxy and entitled to vote.
- 2) If no quorum shall be present within half an hour after the time appointed for the A.G.M. or S.G.M., or if during such meeting a quorum ceases to be present the Chairman of the meeting shall adjourn it to such hour, date and place as he shall direct, unless it is a S.G.M. requisitioned under Rule 24(3) or Rule 24(6) whereupon the Chairman of the meeting shall dissolve it.

Rule 27

Procedure at General Meetings

- 1) The Chairman of the Board (or, in his absence, the Deputy Chairman of the Board) will preside at every meeting of the Society. If there is no such Chairman or Deputy Chairman or if neither the Chairman nor the Deputy Chairman is present within fifteen minutes after the time appointed for the meeting or if both the Chairman and the Deputy Chairman 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 the meeting, the Members present and entitled to vote under Rule 28 and to be

included in the quorum for the meeting shall choose one of their number who is present to be Chairman of the meeting.

- 2) 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 (10) 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.
- 3) 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.
- 4) When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting but otherwise it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 5) Subject to the Act and these Rules every question submitted to an A.G.M. or S.G.M. shall be decided by a simple majority and such votes shall be taken in the first instance by a show of hands of the Members present and entitled to vote.
- 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 proxy, by attorney, or representative.
- 7) 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.
- 8) 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 the Member of the Board or auditor a poll shall be deemed to have been demanded by the Chairman.
- 9) Except in the case of a motion for a Special Resolution or of a contest for the office or appointment of the member of the Board 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.
- 10) If a poll is duly demanded in accordance with paragraph (6), 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 in such manner, subject to paragraph (12) 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, in the event of a poll, appoint the Scrutineers and may adjourn the meeting or adjourned meeting to some hour, date and place fixed by him for the purpose of declaring the result of the poll.

- 11) A poll demanded on a 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.
- 12) Voting papers to be used on a poll shall be valid only if they are issued by the Society.

Rule 28

Entitlement of Members to vote on resolutions and in elections

- 1) Each and every Member present, in person, or voting by proxy at any A.G.M. or S.G.M. is entitled to vote on any resolution put to the meeting, whether Special or Ordinary.
- 2). The holder of a power of attorney from a person who is a Member and who is entitled to vote under paragraph (1) above shall, if the power of attorney is duly registered at the Registered Office 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.
- 3) When the votes are equal the Chairman shall have an additional or casting vote.
- 4) The right to vote shall be limited to those persons on whom this Rule confers a right to vote.

Rule 29

Appointment of proxies

- 1) A Member entitled to attend and vote at a meeting of the Society:-
 - a) may appoint one person (whether a Member 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.
- 2) The instrument appointing a proxy or a representative shall be deposited at the Registered Office not less than 48 hours before the day appointed for holding the meeting, or adjourned meeting, and in default the instrument shall not be treated as valid.
- 3) An instrument appointing a proxy shall be in such form as the Board may from time to time determine (provided that such form shall not limit the manner in which the person appointing the proxy may direct him to vote) or in the form set out

The Rechabite Friendly Society Limited

I

of

hereby appoint the Chairman of the Meeting

or, failing him

of

as my proxy to attend and vote in my name and on my behalf at the meeting of the Society to be held on the day of , and at any adjournment thereof.

Unless instructed to vote for or against the resolution(s) (as set out in the notice convening the meeting) by the placing of an X in the box(es) below, the proxy will abstain or vote at his discretion.

Resolution No			
1		For	Against

Dated this day of .

Signature

- 4) The Society may add to any instrument issued by it in the form set out in paragraph (3) above any explanatory notes it may think fit to assist appointers.
- 5) The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll but, save as by this paragraph provided, a proxy shall have no right to speak at the meeting.
- 6) If a Member who, at the final date for the receipt of proxy instruments determined under paragraph (2) above, is entitled to attend and vote at the meeting appoints a person as a proxy to vote instead of him at that meeting and then ceases after that date to be so entitled that person may notwithstanding Rule 28(2) act as the Member's proxy at that meeting.
- 7) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding:-
 - a) the previous death or mental disorder of the appointer or revocation of the proxy or of the authority under which the proxy was executed, provided that no intimation in writing of such death, mental disorder, revocation or transfer as aforesaid shall have been received by the Society at its Registered Office before the commencement of the meeting or adjourned meeting at which the proxy is used;
 - b) that since the last date specified for the deposit of instruments of proxy the appointer has ceased to be entitled to attend and vote at the meeting.

Rule 30

Accounts systems of control

- 1) The Board shall cause accounting records of the Society to be kept and established and maintain systems of control of its business and records and of inspection and report, in accordance with the Act.
- 2) The Board shall cause to be maintained separate accounts for, and which identify the separate assets of, any controlled bodies.
- 3) The Board shall in accordance with any statutory or regulatory requirements, send to the relevant regulatory authority a statement of their opinion whether the requirements of the Act 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 the specified date for regulatory returns or 14 days before the A.G.M., whichever is the earlier, send three copies to the relevant regulatory authority of the Annual Accounts for the last financial year, the Report of the Board for that year and the Auditor's Report on those accounts.
- 5) The Chief Executive shall supply, free of charge, to every Member, on demand, copies of the Annual Accounts for the last financial year, the Report of the Board 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 accordance with any statutory or regulatory requirements, also send to the relevant regulatory authority an additional report prepared by the auditors in accordance with the Act, on the conduct of the activities of the Society for the last financial year.
- 7) The Board shall at all times comply with the regulations and conditions recorded in the rules of the relevant regulatory authority as amended from time to time which relate to valuation and allocation of any asset or investment held by the Society.

Rule 31

Inspection of records

- 1) The Board shall make the records of the Society available for the inspection by any Member or person having an interest in the funds of the Society 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 Chief Executive to produce the same accordingly. But 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 loan account of any other Member or have access to personal information in respect of any other Member, without the written consent of that Member.

Rule 32

Auditors

- 1) At each A.G.M. the Society shall appoint a qualified auditor to audit its annual accounts. An individual or a firm may be appointed as auditor. The

Society shall, within one week of the date of the meeting, notify the relevant regulatory authority 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 2006 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 controlled bodies, or
 - d) a person who is ineligible by virtue of the Companies Act 2006.
- 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.
- 5) 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, without delay, by the Chief Executive to the relevant regulatory authority.

A resolution at an A.G.M. or a S.G.M. 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 Chief Executive not less than 28 days before the meeting at which it is moved. On receipt of notice of intention to move any such resolution the Chief Executive 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 Chief Executive 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 Chief Executive shall, within 14 days, send a copy of that notice to the relevant regulatory authority.
- 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 Chief Executive shall, unless upon application the court directs otherwise, send a copy of such statement to the Members.
- 8) Where the auditor, with a notice referred to in paragraph (6) above, requisitions the convening of a S.G.M. of the Society for the purpose of considering an explanation of the circumstances connected with his resignation, the secretary shall within 21 days convene such a meeting for a day not more than 28 days

after the date on which notice of the meeting is given and the Society will, unless on application the Court directs otherwise, comply with the requirements set out in paragraph 13 of Schedule 14 to the 1992 Act.

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 relevant regulatory authority 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 Act.
- 3) The Society shall keep adequate records to enable the Actuary to conduct such an investigation.
- 4) Should the periodic valuation of any fund of the Society disclose a deficiency, the Board may, after consultation with the Actuary, institute such measure as may be deemed expedient to make good such deficiency.
- 5) Distribution of surplus within the funds shall be determined by the Board, after advice from the Actuary.
- 6) Furthermore, the funds of any Tables introduced at any time in the future, may if considered by the Actuary to be appropriate and in the interests of the Members concerned be combined with any of the funds established at the date hereof.
- 7) Notwithstanding the provisions of these Rules, when any other Society shall amalgamate with, or transfer its engagements to the Society, the Board, in conjunction with the Actuary shall be empowered to merge the funds of any such Society into the appropriate fund of the Society subject to the rights of individual Members being preserved.
- 8) The Board shall cause valuation records of the Society to be kept and establish and maintain systems of control of its business and records and of valuation and report in accordance with the Act.

Rule 34

Application of funds

- 1) All monies received on account of contributions and premiums received in accordance with these Rules and any Policy Contract, or on account of donations or otherwise, shall be applied in carrying out the objects of the Society in accordance with the Memorandum and Rules. In the absence of any expressed desire by the donor, all donations to the Society shall be applied to the general funds of the Society.
- 2) The Board may on the recommendation of the Actuary establish such funds for the different purposes of the Society as it may determine. Monies received, interest on investments and expenditure shall be allocated to the appropriate funds. The Board may, subject to any legislation, and on the recommendation of the Actuary, make transfers between the funds as it thinks fit.

- 3) Any transfer of assets between the Society and a controlled body should be at arms 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 controlled bodies.

Rule 35

Investment of funds

- 1) So much of the funds of the Society as may not be wanted for immediate use, or to meet the usual accruing liabilities, shall with the consent of the Board be invested by the Society in any of the following manners, namely in the acquisition (by purchase, subscription or otherwise as applicable) or disposal (by sale, exchange, mortgage, lease or otherwise as applicable) of any asset in any of the following:-
 - a) shares and/or stock in the capital of any company (for these purposes "company" includes any body corporate and also any unincorporated body constituted under the law of a country or territory outside the United Kingdom), including the acquisition of any shares or stock in a company in connection with an initial public equity offering;
 - b) debentures, including stock, bonds, certificates of deposit and other instruments creating or acknowledging indebtedness (not being instruments falling within sub paragraph (c) below);
 - c) loan stock, bonds and other instruments creating or acknowledging indebtedness issued by or on behalf of any government, local authority, public authority or international organisation;
 - d) warrants or other instruments, entitling the holder to subscribe for investments (including, but not limited to, those investments listed in sub paragraphs (a) to (c) above);
 - e) certificates representing securities including, but not limited to, certificates or other instruments which confer; property rights in respect of any investment (including, but not limited to, those investments listed in sub paragraphs (a) to (d) above); any right to acquire, dispose of, underwrite or convert an investment being a right to which the holder would be entitled if he held any such investment to which the certificate or instrument relates; or a contractual right (other than an option) to acquire any such investment;
 - f) units in a collective investment scheme, including shares in or securities of any open-ended investment company, unit trust or mutual fund;
 - g) any investment where such acquisition was made pursuant to obligations of the Society as an underwriter or sub-writer;
 - h) for any of the share or loan capital of a housing association (other than shares or debentures not fully paid up at the time of issue);
 - i) land and buildings or taking on lease of land and buildings, or in the erection or alteration of buildings thereon (including residential buildings);
 - j) mortgages or charges secured on property. Notwithstanding this option, the Society shall not grant or advance any sum exceeding 90% of the value of the property at the time of making such advance, such value to be supplied by an independent chartered surveyor appointed by the Board for that purpose, and
 - i) shall agree to receive payment of any money advanced on mortgage for either freehold or leasehold property by instalments, such instalments to be paid within a period of twenty-five years from the date of commencement of the mortgage, and

- ii) shall have the power in all cases to modify or re-arrange any mortgage granted under the provisions of this Rule. In addition, the Society shall give a receipt or level discharge for any mortgage, sale or disposal of any property subject to all liability to the Society being cleared and discharged. Such discharge shall be in the form of the normal legal documentation to clear the debt owing to the Society, or by sale or other legal means of disposal.
- k) rights to and interest in anything which is an investment falling within any paragraph of part 2 of Schedule 2 to the Financial Services & Markets Act 2000.

Rule 36

Disputes

- 1) If a Member or Eligible Complainant is in dispute with the Society or any officer of the Society and has referred the matter to the complaints procedure of the Society referred to in Rule 37 but the matter is not settled to his or her satisfaction, then the Member or Eligible Complainant may “require the matter in dispute to be referred to the Financial Ombudsman Service or any replacement or arbitration scheme from time to time adopted by the Board or otherwise required by the Statutes or the Rules of the relevant regulatory authority”.
- 2) In this Rule 36 “Member” shall include:
 - a) a person claiming through a Member; and
 - b) a person aggrieved who has ceased to be a Member, or a person claiming through such a person.
- 3) For the purposes of this Rule 36 “Eligible Complainant” shall have the same meaning, in the context of the Society, as set out in the rules of the relevant regulatory authority as to dispute resolution and complaints as amended from time to time.
- 4) 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 of 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 these Rules.

Rule 37

Complaints

- 1) Where a complaint is made by a Member to the Society, the Board shall ensure that the complaint is investigated thoroughly by an officer or employee of the Society and that the investigation is completed within a reasonable time. As soon as practicable following completion of the investigation the Board shall ensure that the Member who made the complaint is notified in writing of the results of that investigation.

- 2) Complaints will be dealt with in accordance with the rules issued by the relevant regulatory authority. Complaints may also be referred to the Financial Ombudsman Service.

Rule 38

Voluntary dissolution

- 1) The Society may at any time be dissolved by an instrument of dissolution approved by a Special Resolution of the Society, in accordance with the provisions of Sections 20 of the Friendly Societies Act 1992.

Rule 39

Distribution of surplus assets on winding up or dissolution

- 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 Members who were Members at the date of commencement of dissolution or winding up so that the amount of remaining surplus which each Member receives will be the same proportion thereof as that Member's financial contribution to the surplus assets of the Society, as certified by the Actuary, bears to the Society's total assets.

Rule 40

Notices

- 1) All summonses and notices shall be deemed to have been duly served if given in accordance with Rule 25 hereof or addressed to the Member or person for whom they are intended at his registered address if known and delivered at or sent by post to that address.

Rule 41

Copies of Memorandum and Rules

- 1) The Chief Executive shall, on demand, give a copy of the Memorandum and Rules:
 - a) free of charge to any Member of the Society to whom a copy of these documents has not previously been given; and
 - b) to any person on payment of a fee not exceeding £1, the amount being determined by the Board.

Rule 42

Amendment 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 alteration to the Memorandum or Rules may alter them by adding, rescinding or varying any provision.
- 2) Any alteration of the Memorandum of the Society to include among its purposes and powers the carrying on of any activity concerning the control of subsidiaries and other bodies corporate such as is mentioned in Section 13 (1) of the Act must be adopted by a Special Resolution of the Society in General Meeting; and any amendment of a provision in its Memorandum which permits it to do so must also be so adopted.

- 3) Subject to paragraph (7) below and paragraph (4) and (5) below and notwithstanding paragraph (1) above, the Board may alter the Memorandum or Rules by adding, varying or rescinding any provision.
- 4) Where the Memorandum or Rules are altered in accordance with paragraph (3) above, a resolution to approve shall be put to the next General Meeting of the Society.
- 5) Where the Memorandum or Rules are altered in accordance with paragraph (3) above and a resolution to approve the alteration is not passed at a meeting specified in (4) above:
 - a) the alteration shall cease to be acted on from the conclusion of that 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 submitted for registration as Memorandum or Rule (as the case may be) alteration forthwith.

But the failure to pass 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 the meeting.

- 6) Copies of a record of every alteration to the Society's Memorandum or Rules shall be sent to the relevant regulatory authority within 3 months of the date when the alteration was made.
- 7) No alteration of the Society's Memorandum or Rules shall take effect until it is registered or until such later date as is specified in the record of alteration.
- 8) The Society may change its name by a resolution of the Society in a General Meeting after the giving of such notice as is required for a Special Resolution. Notice of the change shall be sent to the relevant regulatory authority in the directed form.
- 9) The Registered Office of the Society may only be changed by a resolution of the Board, reasonable advance notice of which shall be given to the relevant regulatory authority and notice of any resolution to change the registered office shall be sent to the relevant regulatory authority without delay.

Rule 43

Interpretation

- 1) Words importing one gender shall include all other genders and words importing the singular include the plural and vice versa.
- 2) A month means a calendar month and monthly has the corresponding meaning
- 3) Notice shall mean a notice in writing and whenever in such context a number of days is mentioned it shall mean clear days.
- 4) Whenever the word "Society" is referred to in these Rules, it shall be deemed to mean the Society in its entirety.

- 5) Whenever the word “Board” is referred to in these Rules, it shall be deemed to mean the Board of Directors of the Society, performing the functions of the Committee of Management as laid down by relevant legislation.
- 6) Wherever the words “Act” or “Acts” are referred to in these Rules, they shall mean the 1992 Friendly Societies Act and any Acts amending or substituted for it and for the time being in force.
- 7) A “Member” shall mean a person who has a financial interest in the funds of the Society.
- 8) Whenever “Annual General Meeting” or “A.G.M.” is referred to this is the Annual General Meeting of the Society.
- 9) Whenever “Special General Meeting” or “S.G.M.” is referred to this is a Special General Meeting of the Society.
- 10) “Special Resolution” has the meaning given in paragraph 7 of schedule 12 to the Act.
- 11) Any reference in the Rules to the provisions of any particular statute shall be construed as if the Rules were an enactment of which Section 17 (2) of the Interpretation Act 1978 applied and any references to a statute shall include any statutory extension or modification or amendment or re-enactment of such Statute and any Regulations, Statutory instruments, orders made under such Statute.
- 12) Actuary, means any Actuary appointed in accordance with Section 340 of the Financial Services & Markets 2000 and the relevant regulatory authority’s rules.
- 13) “Controlled body” means a body corporate in respect of which the Society has control or joint control within the meaning of s. 13 of the Act.
- 14) “General Meeting” means any A.G.M. or S.G.M..
- 15) “Registered Address” in relation to any Member means the address notified in writing to the Society of a Member from time to time.
- 16) “Rules” means these rules and all alterations made to these Rules from time to time.
- 17) “Table” means a set of rules for the payment of benefits and the related schedules of benefit payments as determined from time to time by the Board.
- 18) “Board member” means a member of the Board.
- 19) “Statutes” means the Act or other Acts or statutory provisions or provisions of statutory instruments from time to time in force relating to friendly societies’.
- 20) “Non-executive Director” means a Board member who is not employed by the Society in any executive role.
- 21) “Executive Director” means a Board Member who is also employed by the Society in an executive role.

Rule 44

Neutrality of the Society

- 1) No Member shall take part as a Rechabite in any meeting or gathering or in any other way, or allow any properties of the Society or flags or banners bearing the name of the Society to be lent or used for the advocacy or promotion of political or sectarian or religious objectives.

Rule 45

Validity of previous rules

- 1) No Rules of the Rechabite Friendly Society registered under the Friendly Society Act 1974 shall have effect on the incorporation of the Rechabite Friendly Society Limited under the Friendly Societies Act 1992.

Rule 46

Applicable law

- 1) Subject to the mandatory requirements of the law of a member state, or part thereof, the applicable law in respect of contracts of insurance entered into by virtue of these Rules, and any other contracts of insurance entered into with the Society, shall be English Law.

Rule 47

Financial Services Compensation Scheme

- 1) The Board may subscribe in the name of the Society to any scheme established by the relevant regulatory authority or any other regulatory body for the purpose of providing compensation to consumers 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) comply with any other duties or obligations of membership of such scheme.

NOMINATION (Unspecified Sum)

The Rechabite Friendly Society Limited, registered under the Friendly Societies Act 1992

I..... of (postal address)

.....

a member of the above-named Society, hereby nominate

..... of (postal address)

..... as the person to whom any sum of money payable by the Society on my decease, not exceeding the limit for the time being specified by law, shall be paid.

Dated Signature

Witness

NOMINATION (Specified Sum)

The Rechabite Friendly Society Limited, registered under the Friendly Societies Act 1992

I of (postal address)

.....

a member of the above-named Society, hereby nominate

..... of (postal address)

.....

as the person to whom £..... of the money payable on my decease shall be paid.

Date Signature

Witness

REVOCATION

The Rechabite Friendly Society Limited, registered under the Friendly Societies Act 1992

I hereby revoke the nomination made by me on theday of

Dated Signature

Witness

VARIATION

The Rechabite Friendly Society Limited, registered under the Friendly Societies Act 1992

I hereby vary the nomination made by me on the Day of

(here state the variation desired)

Dated Signature

.....

Witness