

RULES OF THE

METROPOLITAN POLICE FRIENDLY SOCIETY LIMITED

Registered and incorporated under the Friendly Societies Act 1992

Register Number: 496F

**Registered Office:
Berwick House, 8-10 Knoll Rise, Orpington, Kent, BR6 0EL**

**METROPOLITAN POLICE FRIENDLY SOCIETY
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APPENDIX

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1. Membership

- (1) Membership of the Society is voluntary. It shall be open only to:
 - (a) members of the Metropolitan and the City of London police services;
 - (b) police officers of category (a) above who transfer to another police service;
 - (c) former Members of categories (a) and (b) above who are in receipt of a pension from the Metropolitan or City of London police services;
 - (d) salaried employees of the Society;
 - (e) the immediate adult offspring (having attained the age of 18 years) of Members in categories (a), (b), (c) and (d) above;
 - (f) the Partners of Members and the widows or widowers of former Members of categories (a), (b), (c), (d) and (e) above;
 - (g) the children and grandchildren under twenty-five years of age of Members of categories (a), (b), (c) and (d) above, but only insofar as authorised under Table 8 (Children's Tax-Exempt Endowment Plan);
 - (h) other categories, as approved by the Board from time to time, in respect of such Tables or types of Policy that it specifies.
- (2) So far as concerns police staff no application for Membership may be accepted until the applicant has completed at least five months reckonable service.
- (3) Applications for Membership shall be made to the Registered Office of the Society in the appropriate form.
- (4) All applications for Membership will be subject to approval by the Board who may delegate their power to the Chief Executive on such conditions as they may impose from time to time.
- (5) A Member shall cease to be a Member of the Society on death, or on surrender, expiry or maturity of the only or remaining contract of assurance held with the Society.
- (6) A Membership certificate shall be issued to every Member on joining the Society. A duplicate certificate may be issued to a Member if the original certificate has been lost.
- (7) A Member who is a minor may, if he is over 16 years of age, by himself, or if he is under that age, by his parent 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 Director, or as Chief Executive of the Society.

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.

3. Contributions and Benefits

- (1) Every Member of the Society shall pay contributions and receive benefits by reference to Tables published by the Society and freely available on request or through a Policy issued by the Society, and such contributions shall be dealt with in accordance with rule 40. Notwithstanding anything stated to the contrary in any Table it shall be understood that any level of premium may be applied pro rata to the Premiums and Sums Assured shown in the Tables subject to any limits in force for tax-exempt business and any minimum and maximum premium levels which the Society may set.

The contracts expressed in the Tables do not form part of the tax-exempt business of the Society unless explicitly stated.

- (2) An application form for each Table or Policy is required.
- (3) In the event of the Society being unable to accept an application for the standard contributions and benefits shown in the Tables or in the wording of any Policy issued by the Society, the Society and the Member or potential Member may mutually agree to a variation of the contract containing an extra premium or a debt against the benefits.
- (4) Contributions shall be payable in the manner required by the Society.
- (5) Contributions shall normally be paid by deductions from salary. A Member may pay contributions otherwise than by deductions from salary in which case he or she will ensure arrangements are made for the contributions to be paid on a regular basis.
- (6) The Society shall notify the appropriate employing authority or their agent for salary payment of all contributions required to be deducted from salary.
- (7) Benefit shall be payable in accordance with the conditions set out in the appropriate Tables. At the request of the Member, an in-force contract under these Tables may be varied in accordance with the advice of the With-Profits Actuary and within the limits prescribed by law.
- (8) Surrender. Unless otherwise provided in the Table wording, an endowment or whole life assurance contract may be surrendered for cash at any time after the first year or as provided for by the Board in special circumstances. Surrender values will be calculated on the basis agreed with the With-Profits Actuary from time to time and approved by the Board. Unless otherwise stated within the Table wording, surrender values are not guaranteed. The terms for surrender or cancellation of a unit-linked contract are set out in the wording of the Policy (see Rule 5).

- (9) **Paid-up Values.** The paid-up value of any basic endowment or whole life policy shall be the proportion of the sum assured represented by the number of premiums paid in relation to the number that would have been paid over the original term. A paid-up contract may be surrendered for a cash payment at the discretion of the Board.
- (10) **Commutation.** The Society may, at its discretion, accept a single payment in commutation of the liability to pay future premiums under any tax-exempt policy. Such commutation payments may only be accepted provided that premiums have been paid for at least ten years or, in the case of an endowment assurance or children's policy, a period equal to one half the term of assurance if this is a shorter duration. The amount of such commutation payment shall be determined by the Society on the advice of the With-Profits Actuary.
- (11) **Waiver of Premiums.** At the discretion of the Management Board, payment of premiums under an endowment or whole life Table may be waived for any period, up to a maximum of 12 months, during which a serving Member is on sick leave and is receiving half-pay or less, without affecting the Member's rights under the policy.

4. Surpluses and Bonuses

Distribution of surplus and Bonuses shall be determined by the Board acting upon the advice of the With-Profits Actuary. Declared Bonuses shall be added to the Sum Assured after each annual valuation by way of permanent additions to the benefits. Different Bonus rates may apply to different Tables.

5. Linked Business

The Society may only transact unit-linked business under Policies which shall set out as a minimum the following information wherever it is applicable:

- (a) Initial management charges.
- (b) Method of allocation of units.
- (c) Entitlement on surrender or cancellation.
- (d) Method for treatment of investment income.
- (e) Taxation treatment of investment income and capital gains.
- (f) Timescale for issue of yearly statements showing purchases, current value and tax deductions.
- (g) Annual charges to cover expenses and mortality.
- (h) Method of calculating margins between bid and offer prices.
- (i) Method approving and notifying any increase in charges.

6. Reinsurance of Risks

The Board may provide for the reinsurance of risks.

7. Disqualification and Forfeiture of Membership

A Member who fails to comply with the rules of the Society shall be liable to disqualification and forfeiture of Membership without liability on the Society for non-fulfilment of any terms of a Policy.

8. Arrears

Membership shall cease if contributions on the only or remaining Table or Policy as appropriate are more than three months in arrears. The Society will then hold any surrender value which is due in accordance with Rule 3 (8) for a period of 6 years during which time the benefit may be claimed.

9. Change of Residence

Members should notify any change of residence to the Society.

10. Benefits

Benefits may be assigned. Notice of assignment shall be given in writing to the Registered Office of the Society. The Society shall not be bound by any notice of assignment charge or other similar dealing unless this has first been approved and registered with the Society.

11. Sickness Benefits

Not applicable to Tables; Policies may include benefits payable on sickness.

12. Accident Benefits

Not applicable to Tables; Policies may include benefits payable on the occurrence of an accident.

13. Death Benefits

The Society shall pay benefits on the death of a Member providing that an official certificate of such death issued by the Registrar of Deaths or other person having the care of deaths is produced. Certification satisfactory to the Society shall be produced where death occurs abroad.

Where the total sum exceeds the limit for the time being specified by law such payment may only be made upon the production of the grant of probate of the will. In the absence of a will letters of administration or a certificate of confirmation to the estate must be produced.

No payment in excess of £800 shall be insured on death under ten years of age.

14. Nominations

- (1) A Member not under the age of 16 years may nominate a person or persons to whom any sum of money payable by the Society on his death or any specified amount of money so payable shall be paid at his decease, but the total amount which may be so nominated shall not exceed £5,000 or such higher amount as, by virtue of an order under section 6 of the Administration of Estates (Small Payments) Act 1965, may for the time being apply for the purposes of the enactments specified in subsection (1) of that section.
- (2) All such nominations shall be made by writing, under the hand of the Member, delivered at or sent to the Registered Office of the Society, or, made in a book kept at such office.
- (3) The person or persons so nominated must not at the date of the nomination be an Officer or employee of the Society unless that Officer or employee is the husband, wife, father, mother, child, brother, sister, nephew or niece of the nominator.
- (4) A nomination so made may be revoked or varied by any similar document, under the hand of the nominator, delivered, sent or made as aforesaid, but a nomination 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, revocations and variations must be in a form acceptable to the Society. Appropriate forms are available from the Society.

15. 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 (herein referred to as the "Board") consisting of not more than 14 nor (subject to the provisions for rule 25(6)) less than 5 members and the Board may from time to time resolve the number who together shall constitute the Board within these limitations.
- (2) Subject to the provisions of the Act, the memorandum and these rules and to any directions given by special resolution, the business of the Society shall be managed by the Board who may exercise all the powers of the Society.
- (3) No alteration of the memorandum or rules and no direction as specified in (2) above shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that direction had not been given.
- (4) Without prejudice to the generality of the foregoing paragraphs (1), (2) and (3), the Board -
 - (a) shall ensure the direction and management of all affairs and business of the Society:
 - (i) by a sufficient number of persons fit and proper to be Directors or other Officers, in their respective positions;
 - (ii) with prudence and integrity;
 - (iii) in the best interest of the Members and in accordance with best practice; and
 - (iv) in accordance with the memorandum and these rules, and with the Act;
 - (b) shall supervise the activities of any controlled body or branch of the Society;
 - (c) may make, vary or revoke regulations for the conduct of business at its meetings, including, but not limited to:
 - (i) voting rights, including casting votes;
 - (ii) special meetings, and
 - (iii) minutes of meetings
 - (d) may 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, but no Director (other than a holder of any executive office) shall receive any payment save as is authorised by these rules, or as approved at a General or Special Meeting;
 - (e) 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;
 - (f) 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.
- (5) The Board shall meet for business as often as it shall find necessary and half the number of the Board shall form a quorum.
- (6) The validity of any proceedings or acts of the Board shall not be affected by any vacancy among its members or by any defect in the appointment of a Director.

16. Eligibility and Election of Board

- (1) No individual shall be elected or appointed as a Director 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 25, 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,
- and
- (d) (except in the case of appointment under rule 25 or nomination under paragraph (4) below, or where a Director retires under rule 26), a form nominating him, signed by not less than 3 Members who comply with the requirements of paragraph (3) below and addressed to the Chief Executive, has been delivered at the Registered Office during the hours of public business of the Society between the first and fifteenth days of the last month of the financial year preceding the Annual General Meeting at which the vacancy in respect of which he is nominated is to be filled. The nomination form shall contain the full name, address, age and occupation of the person nominated, his consent to be so nominated, and the full names and addresses of the Members proposing his nomination. The nomination form shall be dated with the date of its delivery at the Registered Office and that date shall be deemed to be the date of nomination for the purpose of paragraph (3) below.
- (2) In exercise of its duties pursuant to rule 15(4)(a) the Board may require any individual nominated for election as a Director to supply in writing such forms as the Board may specify, evidence as to his qualifications, financial and managerial experience, creditworthiness, competence and character and to complete in draft any form or questionnaire that, if elected, he would be required to submit to any regulatory authority in accordance with the Act.
- (3) The requirements with which a Member must comply in order to be eligible to nominate an individual as a Director are as follows:
- (a) he must have been a Member for not less than 2 years before the date of nomination; and
 - (b) he must not be in arrears with his contributions; and
 - (c) he must not be a minor at that date.
- (4) If a vacancy arises on the Board after the last day of the financial year and before the conclusion of the Annual General Meeting held in the succeeding financial year by reason of the death or disqualification of any retiring Director who was seeking re-election the Board may 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 25.
- (5) Where a person becomes or ceases to be a Director, the Society shall within one month give notice of that fact to the FSA. The notice shall state the person's full name and address and the date on which he became, or ceased to be a Director and, in the case of a person becoming a Director, the date of his birth.

17. Appointment of Non-Executive Officers

- (1) At its first meeting after every Annual General Meeting the Board shall elect from its number a Chairman and a Vice-Chairman who shall subject to paragraph (5) below, hold office until the commencement of the first meeting of the Board held after the next Annual General Meeting unless either shall cease in the meantime to be a Director or shall resign the office. The Chairman shall preside at all meetings of the Board at which he is present and in the absence of the Chairman the Vice-Chairman shall take his place.
- (2) If the Chairman and the Vice-Chairman so elected shall both be absent from a meeting of the Board 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) At its first meeting after every Annual General Meeting, the Board shall appoint Chairmen to each of its committees.
- (4) The Chairman and Vice-Chairman of the Board and the Chairmen of the committees shall be non-executive Officers.
- (5) The Board may at any time remove any of the non-executive Officers from office.
- (6) The Board shall fill from its number any casual vacancy (whether or not arising from the exercise of its power under paragraph (5) above) and the relevant non-executive Officer or Officers so elected shall, subject to paragraph (3) above, hold office until the commencement of the first meeting of the Board held after the next Annual General Meeting unless he shall cease in the meantime to be a Director or shall resign the office.

18. Remuneration and Expenses of Officers

- (1) In respect of any Officers entitled to receive annual remuneration as Directors, such remuneration, (exclusive of any remuneration paid in respect of executive duties) shall be paid at a rate to be determined by the Board from time to time. This remuneration shall be divisible among the Officers in such proportion as may be agreed among them by a majority decision and, in default of agreement, in equal shares.
- (2) In addition to such remuneration, any Director 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 Officer.

19. Validity of Acts

All acts done by the Board, or any committee, or any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the constitution of the Board or committee or in the election or re-election or appointment of any Director or 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 committee had been properly constituted and as if every such person had been duly elected or re-elected or appointed or entitled to vote and, where appropriate, was qualified and had been a Director.

20. Offices of Profit

- (1) A Director may hold any office or place of profit with the Society (other than the office of auditor or valuer) simultaneously with his office of Director and may be appointed by the Board to an office or place of profit with any body corporate in which the Society is, or will be, interested.
- (2) A Director 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 Director, notwithstanding his interest, may be counted in the quorum present at any meeting at which he or any other Director is appointed to hold any office or place of profit with the Society or with any body corporate in which the Society is, or will be, interested or at which the terms of any such appointment are arranged. He may vote on any such appointment or arrangement other than his own appointment or the arrangement of the terms of that appointment.

21. Interest in Contracts

- (1) Subject to a Director's 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 Director.

- (2) No Director may vote as a Director in regard to any contract, or proposal therefor, in which he is interested, whether directly or indirectly, or upon any matter arising out of it. If he shall so vote, his vote shall not be counted nor shall he be reckoned in estimating a quorum when any such contract, or proposal therefor, is under consideration.
- (3) Notwithstanding anything contained in this rule, the prohibition contained in the above 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 Director may have as a director of a controlled body of the Society.

22. Appointment of Officers Employees and Others

- (1) The Society must have a Chief Executive and a Secretary who shall be appointed and whose appointments may be terminated by the Board, and who shall be Officers of the Society.
- (2) The Chief Executive and Secretary are responsible under the immediate authority of the Board for the conduct of the business of the Society.
- (3) The Board shall take all reasonable steps to secure that the persons appointed as Chief Executive and Secretary have the requisite knowledge and experience to discharge the functions of their offices.
- (4) Where a person or persons becomes or ceases to be the Chief Executive or the Secretary, the Society shall within one month give notice of that fact to the FSA, stating the person's full name and address and the date on which he became, or ceased to be, Chief Executive or Secretary.
- (5) The Board may also appoint, or terminate the appointment of, persons to fulfil the roles of Deputy Chief Executive or Treasurer. Such persons shall be Officers of the Society. Either of these offices may be combined with each other, or with that of Secretary.

- (6) The Board may also:
- (a) appoint and terminate the appointment of (or delegate these appointment and termination powers to the Chief Executive and Secretary in respect of) such employees, advisers and agents 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 offices of Chief Executive and Secretary

and may require from any person appointed under this rule such guarantees as in its judgement shall appear necessary.

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

23. Indemnity to Directors, Officers and Employees

- (1) Every Director, and every other Officer and 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.

24. Vacation of Office and Disqualification

- (1) A Director shall cease to hold office:
- (a) if he resigns his office by notice in writing to the 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-Directors to resign and a resolution that he has vacated office is thereafter passed at a meeting of the Board by a least two-thirds 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 current Mental Health Act or the equivalent legislation for Scotland or for Northern Ireland 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 30 that he shall cease to be a Director passed by a majority of the votes cast on a poll at a general meeting;

- (h) if, whilst a Director of the Society and without the prior consent of his co-Directors, he accepts the office of a director in any other organisation, company or body deemed by the Board to be in direct competition with the business of the Society;
 - (i) upon the conclusion of the Annual General Meeting next following the date at which he attains 70 years of age unless he is re-elected at that meeting, the requirements of rule 16(1)(a) having been satisfied;
 - (j) if he becomes prohibited by law from being a Director;
 - (k) if he contravenes rule 21(1) by knowingly or recklessly failing to declare an interest and the Board passes a resolution that he has vacated office.
- (2) The Chief Executive shall give not less than 14 clear days' notice in writing to all Directors of a meeting of the Board at which it is intended to move a resolution that a Director 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 47 shall be deemed to apply to any such notice.

25. Filling of Casual Vacancies

- (1) In the case of any vacancy not occasioned by the retirement of any Director by rotation the Board may at any time, and from time to time, appoint an individual as a Director to fill such a vacancy.
- (2) If the Board resolves to increase the number of Directors within the limitations prescribed by rule 15(1), the Board may appoint an individual as an additional Director in order to fill any vacancy.
- (3) The Board shall appoint under this rule only an individual who:
 - (a) appears to it to be fit and proper to be a Director, and
 - (b) is qualified under rule 16(1) (as far as that rule is applicable), and
 - (c) is not a person who, having been nominated for election as a Director at any election held within the preceding 12 months, was not elected as a Director.
- (4) A Director appointed under this rule shall hold office until the conclusion of the Annual General Meeting next following such appointment but, if he is appointed on a date falling within a period commencing with the beginning of the Society's financial year and ending with the Annual General Meeting held in that year, he shall not retire at that Annual General Meeting but:
 - (a) at the conclusion of the next Annual General Meeting, or
 - (b) at the expiration of the period of 16 months beginning with the date of his appointment
 whichever is the earlier.
- (5) A Director appointed under this rule and retiring under paragraph (4) above shall be eligible for election without nomination, provided that he is qualified under rule 16(1) at the date of the Annual General Meeting at which he retires and is not ineligible by reason of his age on that date, and he shall be a retiring Director for the purposes of rule 26(3).
- (6) Notwithstanding any vacancies on the Board, the remaining Directors may continue to act. If at any time the number of Directors falls below the minimum of 5 prescribed by rule 15, 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 one month but the Chairman shall, notwithstanding any regulation under rule 15(4)(c) not have a second or casting vote.

26. Retirement by Rotation

- (1) In addition to any Director retiring under rule 24(1)(i) or 25(4) all other Directors will retire at the latest on the third Annual General Meeting after their election.
- (2) Elections of Directors shall be conducted at either the Annual General Meeting of the Society or if the Board so determines, by postal ballot of the Members conducted during that part of the financial year which precedes the date of the Annual General Meeting. If an election is conducted by postal ballot the following provisions of this rule shall apply mutatis mutandis. If at such a meeting there is a contest for the office of Director in that the number of candidates for election or re-election to the Board (including Directors retiring under this rule and rule 25(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, the full names of all the candidates and any declarations required by the Act;
 - (ii) subject to paragraph (i) above, the Board may prescribe or approve the form of the voting paper and may include such other declarations and denoting of retiring Directors 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) each Member shall have one vote in respect of each vacancy to be filled, and
 - (vi) no Member shall be required to cast all or any of the votes given him by (v) above.
- (3) If at an Annual General Meeting there is no contest for the office of Director, then
 - (a) any Member both eligible for election and nominated under either paragraph (1) or (4) or rule 16 shall be deemed to have been elected, and
 - (b) any retiring Director offering himself for election or re-election who is qualified under rule 16(1) at the date of the meeting and 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 Director, of which notice has been given under rule 30(5)(b), shall be passed by three fourths of the votes cast on a poll.

27. Pension and Other Schemes and Funds

- (1) In this rule the term "Officers" excludes any Director who does not hold or has not held any executive position in the Society in addition to that of Director.
- (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 Partners, children and dependants of persons referred to in sub-paragraphs (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 Partners, 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 made pursuant thereto.

28. Annual General Meeting

- (1) The Society shall hold an Annual General Meeting 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 Annual General Meeting and that of the next.
- (5) The Board shall lay before the Members at the Annual General Meeting the Annual Accounts of the Society for the last financial year before the date of that meeting, and shall also submit to them a report by the Board (called in these Rules "the Board's Report") on the business of the Society, which Board's Report shall include the information required by or under the Act and details of any Bonuses determined by the Board in accordance with rule 4.
- (6) The notice of the time and place of the Annual General Meeting shall be in accordance with 30(1). Such notice shall state that copies of the Annual Accounts are available to Members free of charge upon request.
- (7) In these Rules "Annual Accounts" means the classes of document (including the notes to them) which the Society is required (unless otherwise exempted) by or under the 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.
- (8) The report of the auditors on:
 - (a) the Annual Accounts laid before the Annual General Meeting, and
 - (b) the Board's Reportshall be laid before that meeting and shall be available for inspection by any Member.
- (9) No business shall be transacted at an Annual General Meeting, and no resolution shall be brought forward at any such meeting, except as may arise upon:
 - (a) the Annual Accounts laid before the meeting;
 - (b) the Board's Report submitted to the meeting;
 - (c) the report of the auditors on the documents listed in (a) and (b) above;
 - (d) the election and re-election of Directors;
 - (e) the appointment or re-appointment of auditors;

- (f) a motion for a resolution contained in a Members' Notice received by the Society in accordance with the provisions of rule 30, 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.

29. Special General Meetings

- (1) All general meetings other than Annual General Meetings shall be called Special General Meetings.
- (2) The Board may, whenever it thinks fit, convene a Special General Meeting.
- (3) The Board shall convene a Special General Meeting on the requisition of not less than 50 Members qualified under paragraph 7 below. The requisition shall state the objects of the meeting (which must not however include the election of a Director) 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.
- (4) If the Board does not within 28 days after the date of deposit of the sole requisition, or the date of deposit of the last requisition sufficient to comply with the requirements of paragraph (3) above, proceed to despatch notices convening a meeting to be held within 63 days after that date, the requisitioners or any proportion of them exceeding one-half may themselves convene a Special General Meeting. Any meeting so convened shall not be held after the expiration of five months from the date of the deposit of the sole or last requisition. The meeting so convened by the requisitioners shall be convened in the same manner, as nearly as possible, as that in which meetings are convened by the Board and notices shall be sent by post to those persons entitled under rule 30(1). Any reasonable expenses incurred by the requisitioners by reason of the failure of the Board duly to convene a meeting shall be paid to those requisitioners by the Society. Any sum so paid shall be recovered by the Society from the defaulting members of the Board (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.
- (5) No business shall be entertained at any Special General Meeting except such as shall be stated in the notice convening the meeting.
- (6) Except where the requisitioners themselves convene a Special General Meeting under paragraph (4) of this rule, Special General Meetings shall be held at such hour, date and place as the Board shall determine.
- (7) A Member shall be qualified for the purposes of paragraph (3) above if he:
 - (a) has been a Member of the Society for a continuous period of not less than two years prior to the date of the requisition, and
 - (b) is a person entitled to vote at a general meeting of the Society on the date of the requisition.

30. Notice of Meetings

- (1) The notice of the time and place of all meetings shall be sent to all Members and published in Police Notices for the Metropolitan and City of London police services. Such publications shall be deemed to be sufficient notice to all Members.
 - (a) At least 14 days' notice, expiring on the final date for the receipt of proxies under rule 35, of every general meeting (whether an Annual General Meeting or a Special General Meeting) specifying the hour, date and place of the meeting shall be given to Members as provided in paragraph (1) above.

- (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 Director, 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) Whenever a Special Resolution is to be considered the notice shall state that:
 - (a) 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
 - (b) the proxy need not be a Member of the Society; and
 - (c) the Member may direct the proxy how to vote at the meeting.
- (4) The Annual General Meeting shall be described as such in the notice of meeting.
- (5) For the purposes of the following paragraphs of this rule the following expressions shall have the following meanings:
 - (a) "Requisite Number" means 50, 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 Annual General Meeting 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) below) the Board shall:
 - (a) include in the notice of the Annual General Meeting 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 under paragraph (1) a statement of intent.
- (7) The Board shall be under no duty:
 - (a) to include a Members' Notice in the notice of the Annual General Meeting or
 - (b) to include in the notice such a statement as is mentioned in paragraph (6)(b) aboveif:
 - (i) the Members' Notice (or the last of the documents sufficient to enable it to comply with the requirements of paragraph (5)(b) above) and, if submitted, any statement given (of the kind mentioned in paragraph 6(b) above) are given to or lodged with the Society later than the last day of the financial year preceding that in which the Annual General Meeting 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) the rights conferred by paragraph (6) above are being abused to seek needless publicity for defamatory matter or for frivolous or vexatious purposes; or

(iv) 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 beginning with the third Annual General Meeting before the date on which the Members' Notice (or the last of the documents sufficient to enable it to comply with the requirements of paragraph (5)(b) above) is given to the Society.

(8) If it is not practicable for any reason to include in the notice of the Annual General Meeting a notice given by Members in accordance with paragraph 5(b) above, the notice so given together with any statement lodged in accordance with that paragraph shall be advertised in accordance with paragraph (1), or at the next available date.

31. Quorum at General Meetings

(1) No business shall be considered at any Annual General Meeting or Special General Meeting unless a quorum is present, and a quorum shall be constituted for all purposes by 25 Members present or represented and entitled to vote.

(2) If no quorum shall be present within half an hour after the time appointed for the Annual General Meeting or Special General Meeting, 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 Special General Meeting requisitioned under rule 29(3) or (4) whereupon the Chairman of the meeting shall dissolve it.

32. Procedures at General Meetings

(1) The Chairman of the Board (or, in his absence, the Vice-Chairman of the Board) will preside at every general meeting of the Society. If there is no such Chairman or Vice-Chairman or if neither the Chairman nor the Vice-Chairman is present within fifteen minutes after the time appointed for the meeting or if both the Chairman and the Vice-Chairman are unwilling to act, the Directors present shall elect one of their number to be Chairman of the meeting. If at any meeting no Director is willing to act as Chairman, or if no Director is present within fifteen minutes after the time appointed for the meeting, the Members present and entitled under rule 29 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.

(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 Annual General Meeting or Special General Meeting shall be decided by a simple majority and such votes shall be taken in the first instance by a show of hands.

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

(a) the Chairman of the meeting, or

(b) 25 Members who are entitled to vote at the meeting and are present in person, by proxy, by attorney, by representative or by a person specified in rule 33(4).

and in the event of such a demand, a poll shall be taken in accordance with paragraph (10) of this rule, but no poll shall be permitted upon a resolution to appoint a Chairman or as to whether the meeting should be adjourned.

- (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 a Director 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 consent for the office or appointment of Director or auditor, the demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the Chairman, and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
- (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 (who need not be Members) 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.

33. Entitlement of Members to Vote on Resolutions

- (1) Every Member present or voting by proxy (and not disqualified by arrears or otherwise as mentioned in these rules) shall have one vote, and when the votes are equal then the presiding officer shall have an additional or casting vote.
- (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) A Member who is entitled to vote under paragraph (1) above, and 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, by his receiver, curator bonis or other representative in that behalf appointed by that court. Any such receiver, curator bonis or other representative may vote either on a show of hands or on a poll, and if on a poll, may vote by proxy. 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 not less than 2 clear days before the day appointed for holding the 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.
- (4) The right to vote shall be limited to those persons on whom this rule confers a right to vote (subject to rule 35).

34. Postal Ballots

The Society does not wish to make provision for Postal Ballots.

- (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 appointor 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 appointor has ceased to be entitled to attend and vote at the meeting.

36. Accounts, Systems of Control

- (1) The Board shall cause accounting records of the Society to be kept, and establish and maintain systems of control of its business and records and of inspection and report, in accordance with the Act. Authority for the transfer of money, whether by written or electronic -methods, shall require two signatures from a List of Authorised Signatories as signed by the Chairman and Secretary (or their Deputies) and notified to the Bank in the appropriate form of Mandate.
- (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, before 1st July in each financial year, send to the FSA 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 30 June or 14 days before the Annual General Meeting, whichever is earlier, send two copies to the FSA and one copy to the FSA of the Annual Accounts for the last financial year, the Board's report for that year and the auditors' report on those accounts.
- (5) The Chief Executive shall supply free of charge to every Member on demand copies of the Annual Accounts for the last financial year, the Board's report for that year and the auditors' report on those accounts, and he shall ensure that copies of such documents are also made available at every office of the Society.
- (6) The Board shall in each financial year, not later than 1st October, also send to the FSA 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.

37. Inspection of Records

The Board shall make the records of the Society available for 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.

38. Auditors

- (1) At each Annual General Meeting 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 FSA 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 current Companies legislation 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 immediate associates have, connections with the Society or any of its controlled bodies, or
 - (d) a person who is ineligible by virtue of section 27(1)(a) or (b) of the Companies Act 1989 or article 20(1) of the Companies (Northern Ireland) Order 1990 or the subsequent equivalent legislation.
- (3) The Board may appoint an auditor to fill any casual vacancy occurring between general meetings of the Society.
- (4) The remuneration, including any sums in respect of expenses, to be paid to the auditor shall be fixed by the Board or in such manner as the Society shall determine at a general meeting.
- (5) A Society may by ordinary resolution in a 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 FSA. A resolution at an Annual General Meeting or a Special General Meeting of the Society:
- (i) removing an auditor before the expiration of his term of office or
 - (ii) appointing another person as auditor in place of a retiring auditor

shall not be effective unless notice of the intention to move it has been given to the 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 FSA.
- (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 on application the court directs otherwise, send a copy of such statement to the Members.
- (8) Where the auditor, with a notice referred to in rule 38(7), requisitions the convening of an extraordinary general meeting of the Society for the purpose of explaining the circumstances connected with his resignation, the Secretary shall, unless on application the court directs otherwise, convene such a meeting within 28 days or otherwise comply with requirements set out in paragraph 13 of Schedule 14 to the Act.

39. Actuary and Valuations

- (1) The Society shall keep valuation records and shall have an actuary or actuaries who shall be appointed and whose appointment may be terminated by the Board. The Board shall notify the FSA of all appointments and changes.
- (2) The Board shall arrange for the relevant actuary to conduct an investigation and recommend accordingly as to the financial condition of the Society in respect of its long term business in accordance with the Act, and the increases on benefits (“Bonuses”) under the with-profits Tables of the Society.

40. Application of Funds

- (1) All moneys received on account of contributions in accordance with any Tables, or on account of donations or otherwise, shall be applied in carrying out the purposes of the Society in accordance with the rules.
- (2) Both moneys received and interest on investments, shall be credited to the appropriate funds.
- (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 a Society and its controlled bodies.

41. Investment of Funds

- (1) So much of the funds of the Society as may not be wanted either for immediate use, or to meet the usual accruing liabilities, shall with the consent of the Board or of a majority of the Members present and entitled to vote in general meeting be applied or invested in the purchase of or at interest upon the security of such stocks, funds, shares, securities or other investments or property of whatsoever nature and wheresoever situate and whether involving liability or not as the Board shall in their absolute discretion think fit to the intent that the Board shall have the same power of investing and or transposing of investments in all respects as if they were absolute beneficial owners thereof.
- (2) Without prejudice to the power of the Society to invest its funds in property the Society may acquire and hold premises:
 - (a) for the purpose of carrying on any of its activities; or
 - (b) for the purpose of enabling a subsidiary of the Society, or a body jointly controlled by the Society, to conduct its business and may dispose of any premises so held.

42. Disputes

- (1) If any dispute shall arise between a Member or person claiming through a Member or under the rules, or any person aggrieved who has ceased to be a Member, or any person claiming through such person aggrieved, and the Society, or any Officer of the Society, it shall be decided by reference to arbitration, under the conditions set out at subsection (2) of this rule or, where both parties to the dispute so consent, by reference to the county court.
- (2) Five arbitrators shall be elected at a general meeting, none of them being directly or indirectly interested in the funds of the Society, and any vacancy or vacancies shall be filled at a general meeting. The complaining party to a dispute, or someone appointed by him, shall draw three names out of the five by lot and the three arbitrators whose names are first drawn shall decide the dispute.
- (3) In default of determination under subsection (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.
- (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 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 ceased to be a Member and a person claiming through him or under the rules of the Society.

43. Complaints

In the event of a complaint being made to the Society by one of its Members or other aggrieved party the Chief Executive will ensure that an Officer of the Society is informed of the facts and the matter fully recorded in the complaints book maintained at the Society's Registered Office.

The procedures governing complaints are:

- (i) That the Member may write to the Society with his/her complaint.
- (ii) That the Society will fully investigate the complaint.
- (iii) That the complainant will receive within 4 weeks either a full response to the complaint or if the investigation into the complaint has still to be completed, a summary as to why the investigation has not yet been completed and a clear statement as to when the complainant can expect to receive a full response to his complaint.
- (iv) That if the complainant is dissatisfied with the Society's response to the complaint the complainant may ask for the matter to be referred to another Officer who has not been involved in the original response for a final decision, or arbitrated under the Society's disputes rule.
- (v) That if the complainant is dissatisfied with the final decision he may invoke the provisions of the Financial Services and Markets Act 2000, or ask for it to be arbitrated under the Society's disputes rule if he is prepared to accept the disputes procedure.

The internal procedures are subject to the provisions of the Financial Services and Markets Act 2000.

44. Voluntary Dissolution

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

45. Distribution of Surplus Assets on Winding-up or Dissolution

Upon the winding-up of the Society, or upon its being dissolved by consent, any surplus remaining after payment in full of the Society's creditors shall be divided among those Members who were Members at the date of commencement of dissolution or winding-up, taking account of their reasonable expectations under their Tables and Policies.

46. Common Seal

The Society does not have a Common Seal.

47. Notices

All summonses and notices shall be deemed to have been duly served if addressed to the Member or person for whom they are intended at his last known address and delivered at or sent by post to that address.

48. Copies of Memorandum and Rules

The Chief Executive shall on request give a copy of the memorandum and these rules free of charge and may publish them electronically.

49. Amendment of Memorandum and Rules

- (1) 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.
- (2) Subject to rule (1) above, the majority of the Members at a general meeting of which notice has been given specifying the intention to propose an alteration to the memorandum or rules may alter them by adding, rescinding or varying any provision.

- (3) Subject to rule (1) above and rules (4) to (6) below, and notwithstanding rule (2) 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 rule (3) above, a resolution to approve the alteration shall be put to the next general meeting of the Society.
- (5) Where the memorandum or rules are altered in accordance with rule (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 be submitted for registration as a memorandum or rule (as the case may be) alteration forthwith,but the 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 meeting.
- (6) 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 FSA in the prescribed form.
- (7) The Society may change its Registered Office in accordance with the Friendly Societies Act 1992, Schedule 3, Paragraph 12. Notice of the change shall be sent to the FSA in the prescribed form within 3 months.
- (8) 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.
- (9) Copies of a record of every alteration to the Society's memorandum or rules shall be sent to the FSA within 3 months of the date when the alteration was made.
- (10) The Society may vary the benefits under its Tables from time to time. The benefits applicable to a Member will be those pertaining when the Member effected their contract of assurance. However the Society may opt to apply the varied benefits where to do so is in the Member's interest.

50. Interpretation

In these rules, unless the contrary intention appears:

- (1) Words denoting the masculine gender shall be deemed to include the feminine.
- (2) Words in the singular shall include the plural and words in the plural shall include the singular.
- (3) "Premium" shall have the same meaning as contribution.
- (4) The terms "Committee Member" and "Committee of Management" shall have the same meanings as and be interchangeable with the terms "Director" and "Board of Management" respectively.

51. Applicable Law

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.

APPENDIX

DEFINITIONS

- (1) The “Act” means the Friendly Societies Act 1992, and any Acts amending or substituted for it and for the time being in force.
- (2) The “Commissioner” means the Commissioner of Police of the Metropolis for the time being and/or Commissioner of the City of London police service.
- (3) The “Board” means the Board of Directors.
- (4) “Director” means a member of the Board.
- (5) “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.
- (6) “FSA” means Financial Services Authority (or other Regulator) appointed to regulate the Society under the Financial Services and Markets Act 2000 and any Acts amending or substituted for it and for the time being in force.
- (7) “Member” means a person satisfying the requirements of Rule 1 (a)-(h) who has benefits under a Table or under a Policy.
- (8) “Partner” means a Spouse of the Member, or a person with whom the Member is cohabiting.
- (9) “Policy” means a contract of assurance issued by the Society, the terms of which are contained within it.
- (10) The “Society” means the Metropolitan Police Friendly Society Limited.
- (11) “Special Resolution” has the meaning given by paragraph 7 of schedule 12 to the Act.
- (12) “Spouse” shall mean a person in a legal marriage to, or a Civil partnership with, the Member.
- (13) “Table” means a contract of assurance issued by the Society under the terms of one of the Tables of benefits as published separately by the Society.
- (14) “With-Profits Actuary” means the Actuary appointed as such under the rules of the FSA.

Date: 1 April 2007