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THE COMPANIES ACT 2006

**COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL**

ARTICLES OF ASSOCIATION

of

**THE NATIONAL FARMERS UNION
MUTUAL INSURANCE SOCIETY LIMITED**

**(Adopted on 17 December 1998 and amended by Special Resolutions
passed on 23 May 2002, 19 May 2005, 29 June 2006, 28 June 2007, 26 June 2008
and 23 June 2011)**



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COMPANIES HOUSE

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1 Interpretation

1 1 In these Articles, unless the context otherwise requires

"CA 2006" means, subject to Article 1 2, the Companies Act 2006;

"the Directors" means the main Board of Directors for the time being of the Society;

"electronic mail" includes any electronic form through any medium,

"month" means calendar month;

"Member" means a member of the Society,

"the Office" means the registered office for the time being of the Society,

"person" means any individual or corporation having a separate legal personality,

"the Society" means The National Farmers Union Mutual Insurance Society Limited,

"statutes" means CA 2006 and every other statute (and any regulations subordinate thereto) for the time being in force concerning companies and affecting the Society;

"Writing" includes printing, typewriting, lithography, photography and any other mode or modes of representing or reproducing words in a legible and non-

transitory form, and includes (to the extent permitted from time to time by the statutes) electronic mail and "written" shall be construed accordingly

Words importing the singular include the plural and words importing the masculine gender include the feminine.

- 1.2 A reference to any statute or provision of a statute shall include any orders, regulations or other subordinate legislation made under it and shall, unless the context otherwise requires, include any statutory modification or re-enactment of it for the time being in force

- 1.3 Save as aforesaid, and unless the context otherwise requires, words or expressions contained in these articles shall bear the same meaning as in CA 2006.

2 Number of Members

The number of Members for the purposes of registration was declared to be unlimited

3 Membership

3.1 Issue of policy to constitute Membership

The issue by the Society of any policy to any person and the entry of such person's name in the register of Members of the Society pursuant to Article 3 6 shall constitute such person a Member (upon such terms and conditions of Membership as the Directors may from time to time in their absolute discretion determine) and the submission to the Society of the proposal in respect of such policy shall constitute the agreement of such person to become a Member. If a policy is issued by the Society to any person as a trustee, any other person subsequently appointed as a trustee of the same trust in his place shall become a Member at the date of such appointment (upon such terms as applied to the first mentioned trustee) notwithstanding that no proposal in respect of such policy shall have been submitted by him

3.2 Commencement of Membership

Subject as referred to in Article 3 1 in relation to trustees, no person shall become a Member until a proposal (which for the purposes of Article 3.1 and this Article 3.2 may be, but is not required to be, in writing) by him (either alone or in conjunction with any other person) for a policy shall have been accepted by the Society (and such policy has been issued by the Society) and until the name of such applicant (either alone or in conjunction with the name of any other person) has been entered in the register of Members of the Society pursuant to Article 3 6. The Directors may in their absolute discretion determine to reject any proposal for a policy and any such determination shall be final and conclusive

3 3 Joint policies

There shall be no restriction on the issue of any policy to two or more persons jointly. However, the Society shall not be bound to see to the execution of any trust, whether express, implied or constructive, to which any policy issued by the Society may be subject and a discharge of such policy by the persons in whom the same may be legally vested shall in all cases be a sufficient discharge and exoneration of the Society of and from all liability thereunder notwithstanding any trust to which the policy may then be subject whether or not the Society has notice of such trust.

3 4 Duration of Membership

The Membership of any person who has been constituted a Member pursuant to the foregoing provisions of this Article 3 shall continue for so long as he shall continue (either alone or in conjunction with any other person) to be the holder of any policy issued by the Society and his Membership shall cease as soon as he shall cease to hold any such policy. The Directors may, at any time, if in their judgement it is undesirable for Membership to continue, cause a written notice to be sent to the Member concerned determining his Membership, whereupon the same shall cease so soon as the then current term of his policy (or policies) with the Society shall have expired or such policy (or policies) have been otherwise cancelled or determined in accordance with its (or their respective) terms.

3.5 Restoration of lapsed Membership

If the Membership of any person shall cease by reason of non-payment of premiums and he shall afterwards pay all such moneys as shall be necessary for restoring a lapsed policy within the period allowed for that purpose by the terms of the policy, or by the permission of the Directors, such person shall (subject as aforesaid) be restored to Membership in like manner and upon the same terms and conditions as if his policy had remained continuously in force (provided that, for the avoidance of doubt, such person shall not be entitled in the circumstances referred to in Article 4.7 3 to receive written notice of any General Meeting in relation to which the date specified by the Directors pursuant to that Article precedes the date of such restoration to Membership and nor shall such person have any entitlement to vote at any General Meeting in relation to which the record date (within the meaning of Article 7.10) precedes the date of such restoration to Membership).

3 6 Register of Members

The name of every Member (with his address and description and class or classes, if any, of Membership) shall be entered in the Society's register of Members upon admission to Membership, and shall be removed therefrom upon his ceasing to be a Member, and entries shall be made in the register, showing the dates of admission and withdrawal of all Members. Such register may, subject to the provisions of the statutes, be maintained in such form as the Directors shall from time to time determine.

3.7 Assignees

3.7.1 Subject to Article 3.7.2, the assignment or transfer of a policy shall not confer Membership of the Society in respect of such policy and accordingly any assignee or transferee (in this Article 3.7 referred to as "the assignee"), whether legal or equitable, shall not be entitled to attend or vote at any General Meeting of the Society or to receive or exercise any of the other benefits of Membership

3.7.2 If, in consequence of any assignment or other transfer of any kind (not being an assignment or other transfer made for valuable consideration, whether or not in cash and whether or not contingent or deferred), the assignee has acquired the absolute right to the relevant policy issued by the Society, such assignee may, if the Directors (in their absolute discretion) so determine, and subject to the assignee's compliance with such requirements as may from time to time be specified by the Directors, become a Member in place of the person who has effected such assignment or other transfer (in this Article 3.7 referred to as "the assignor") If in respect of any assignee the Directors do so determine, the name of such assignee shall be entered in the Society's register of Members in place of the name of the assignor and the assignee shall thereafter be treated for the purposes of these Articles (and, in particular, for the purposes of Article 3.2) as if the relevant policy of the Society had been issued by the Society to the assignee.

3.7.3 The Directors may from time to time by resolution determine categories of assignment or other transfer of policies (not including any assignment or other transfer made for valuable consideration, whether or not in cash and whether or not contingent or deferred) in respect of which, unless and until otherwise determined by the Directors, the discretion of the Directors referred to in Article 3.7.2 will be exercised such that the relevant assignee shall become a Member

3.7.4 The foregoing provisions of this Article 3 shall be subject to this Article 3.7

4 Annual General Meetings and General Meetings

4.1 To be held once at least in every year

General meetings of the Society shall be held once at least in every calendar year, such general meetings to be held at such time and place as may be prescribed by the Society in General Meeting, or if no time and place is so prescribed, then at such time and place as shall be determined by the Directors

4.2 Annual General Meetings and General Meetings

The above-mentioned general meetings shall be called "Annual General Meetings" and all other general meetings of the Society shall be called "General Meetings"

4.3 Summoning of General Meeting by Directors on requisition

The Directors may whenever they think fit, and shall upon a requisition made in writing by not less than 500 Members having at the date of the deposit of the requisition the right to vote at general meetings, forthwith proceed to convene a General Meeting (which General Meeting shall, if convened in consequence of a Members' requisition, be convened within twenty-one days from the date of receipt of the requisition and held not more than twenty-eight days after the date of the notice convening the meeting)

4.4 Requisition

Any such requisition shall specify the general nature of the business to be dealt with at the meeting, shall be deposited at the Office and signed by the requisitionists. It may consist of two or more like documents, each signed by one or more requisitionists.

4.5 Power of requisitionists to summon meeting

In case the Directors do not within twenty one days after the deposit of such a requisition convene a General Meeting for the purposes specified in the requisition, the requisitionists, or a majority of them, may themselves convene a General Meeting to be held within three months after the deposit of such requisition for the purposes therein specified, but for no other purpose

4.6 Business at meetings

4.6.1 No business other than ordinary business as defined in Article 5.1.1 shall be transacted at any Annual General Meeting unless notice of such special business has been given to Members pursuant to Article 4.7.2 and/or Article 5.1.2

4.6.2 At a General Meeting, no business shall be dealt with except the business specified in the notice summoning the same

4.7 Notice of meetings

4.7.1 An Annual General Meeting and a General Meeting called for the passing of a special resolution shall be called by at least twenty clear working days' notice. All other General Meetings shall be called by at least twelve clear working days' notice

4.7.2 The notice convening any Annual General Meeting or General Meeting shall be given either by advertisement or, if (but only if) the Directors shall so determine, by written notice in accordance with Article 19.2 (and accordingly no Member has any entitlement, including for the purposes of section 423(4) of the CA 2006, to receive notices of Annual General Meetings or General Meetings). Such notice shall in either case specify the time and place of the meeting, the general nature of the business to be transacted and, in relation to any Special Resolution which is to be proposed at the meeting, shall set out the text of such resolution and shall

specify the intention to propose it as a Special Resolution (and, in the case of an Annual General Meeting, shall specify the meeting as such). Notice shall also be given to the Directors and the auditors.

4 7 3 In the event that the Directors determine pursuant to Article 4.7 2 that the notice convening an Annual General Meeting or General Meeting is to be given by written notice in accordance with Article 19 2 (rather than by advertisement), the Directors shall also determine a date as at the close of business on which persons registered as Members shall receive such written notice and such date may be on or at any time prior to the date upon which such written notice is despatched. No change in the register of the Society's Members after the close of business on such date shall invalidate such notice, notwithstanding the fact that such notice will not be sent to any person who becomes a Member after the close of business on such date.

4 7 4 In every notice or advertisement convening an Annual General Meeting or General Meeting there shall appear with reasonable prominence a statement that a Member entitled to attend, speak and vote at the meeting is entitled to appoint a proxy to attend, speak and vote instead of him

4 8 Omission to give notice

In circumstances where the Directors determine, pursuant to Article 4 7.2, that the notice convening an Annual General Meeting or General Meeting is to be given by written notice in accordance with Article 19 2 (and not by advertisement), the accidental omission to give notice of such meeting to, or the non-receipt of notice of such meeting by, any Member shall not invalidate any resolution passed at such meeting.

4 9 Notice of adjournments

Whenever an Annual General Meeting or General Meeting is adjourned for ten days or more, three clear days' notice of the place and time of such adjourned meeting shall be given in like manner as aforesaid

4 10 Class meeting

The Directors may at any time convene a meeting of any particular class of Members to discuss any business especially concerning that class and any resolution of the class not inconsistent with these presents shall bind the Members of the class. The proceedings of any class meeting shall be governed by the provisions herein contained for regulating the meetings and proceedings of a General Meeting, so far as the same are applicable thereto

4.11 Part 13 of the CA 2006

Save as expressly stated in these Articles, all provisions contained in these Articles and concerning general meetings of the Society and the passing by Members of resolutions apply in addition to, and are subject to, the provisions of

Part 13 of the CA 2006 and in the event of any conflict between any of such provisions and any of the provisions of the said Part 13, the relevant provision(s) of the said Part 13 shall prevail

5 Proceedings at Annual General Meetings and General Meetings

5.1 Business

5.1 1 The ordinary business of an Annual General Meeting shall be to receive the annual accounts and the reports of the Directors and the Auditors, to approve any Directors' Remuneration Report accompanying the annual accounts, to elect Auditors, Directors and other officers, and to transact any other business which under these presents may or ought to be transacted at an Annual General Meeting. All other business transacted at an Annual General Meeting and all business transacted at a General Meeting shall be deemed special. Full minutes shall be taken of all proceedings at every Annual General Meeting or General Meeting

5 1 2 Upon a requisition, in relation to an Annual General Meeting, being made in writing by not less than 500 Members having, at the date of the requisition, the right to vote at that Annual General Meeting, the Directors shall give notice to the Membership of any resolution which such Members may requisition provided that any such requisition shall comply in all respects with the provisions of the statutes.

5.2 Quorum

No business shall be transacted at any meeting unless a quorum is present. The quorum for an Annual General Meeting shall be seven persons present in person and entitled to vote upon the business to be transacted, being Members or duly authorised representatives of Members being corporations. The quorum for a General Meeting shall be thirteen persons present in person and entitled to vote upon the business to be transacted, being Members or duly authorised representatives of Members being corporations, save in circumstances where the General Meeting shall have been convened pursuant to Article 4 5 or by the Directors pursuant to a requisition of Members as referred to in Article 4 3, in which circumstances the quorum for such meeting shall be 100 persons present in person and entitled to vote upon the business to be transacted, being Members or duly authorised representatives of Members being corporations.

5 3 Case of no quorum

If a quorum is not present within one hour after the time appointed for a meeting or if during the meeting a quorum ceases to be present, the meeting, if convened pursuant to Article 4.5 or by the Directors pursuant to a requisition of Members as referred to in Article 4 3, fails and shall not be held, but if not so convened, shall stand adjourned to the same day in the next week, at the same hour and place, and if within one hour after that hour, a quorum is not present, the meeting shall thereupon be held and a quorum shall be deemed to be present.

5.4 Chairman

The Chairman of the Directors, or, in his absence, the Vice-Chairman of the Directors (if there be a Vice-Chairman), shall be the Chairman at every Annual General Meeting or General Meeting. If neither of them is present within fifteen minutes after the time appointed for the meeting, the Directors then personally present or, if no Directors are present, the Members then personally present shall choose a Director or other Member to be Chairman.

5.5 Adjournment

The Chairman may, with the consent of a meeting at which a quorum is present (and shall, if so directed by the meeting), adjourn the meeting from time to time and from place to place. Without prejudice to any other power which he may have under these Articles or at common law, the Chairman may, without the need for the consent of the meeting, interrupt or adjourn any meeting from time to time and from place to place if he is of the opinion that it has become necessary to do so in order to secure the proper and orderly conduct of the meeting, to give all persons entitled to do so a reasonable opportunity of speaking and voting at the meeting or to ensure that the business of the meeting is properly disposed of. Save as provided in Article 4.9, no Member shall be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting. No business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had adjournment not taken place.

5.6 Decisions of questions

Every resolution submitted to an Annual General Meeting or General Meeting shall be decided in the first instance by a show of hands of the Members present in person or by proxy (or, in the case of Members being corporations, by their duly authorised representatives).

5.7 Special Resolution

If, at any Annual General Meeting or General Meeting, it is proposed that there be put to the meeting a resolution authorising the transfer of part or all of the Society's business to any other person, corporation or body or to change the corporate status of the Society, or a resolution which as its only or main object or consequence, or as one of its main objects or consequences, seeks that the Directors consider, investigate, effect or supply information in relation to any such transfer of part or all of the Society's business or any such change in the corporate status of the Society or a dissolution or winding-up of the Society, that resolution must be proposed as a Special Resolution and may only be carried by a majority of 75% of the votes of the Members present and voting on a show of hands. No such resolution shall be carried on a poll unless 50% or more of the Membership vote and more than 75% of the votes cast are in favour.

If, in the context of any proposed transfer of business or change of corporate status as is referred to in this Article 5.7, it is proposed that compensation be

paid by the Society (or any transferee or successor company) to or in respect of any Director of the Society for loss of office or diminution of emoluments attributable to the transfer or change, such compensation shall only be paid if it is approved by a Special Resolution of the Members, which resolution is separate and distinct from the resolution to approve the relevant transfer of business or change of corporate status. If, in the context of any such proposed transfer of business or change of corporate status, it is proposed that any Director of the Society is to receive increased emoluments in consequence of the transfer or change (whether by way of increased remuneration or the grant of share options or otherwise), such proposal shall only be implemented if it is approved by an Ordinary Resolution of the Members, which resolution is separate and distinct from the resolution to approve the relevant transfer of business or change of corporate status.

5 8 Accommodation of Members at Meeting

The Directors may, for the purpose of controlling the level of attendance and ensuring the safety of those attending at any place specified for the holding of an Annual General Meeting or General Meeting, from time to time make such arrangements as the Directors shall in their absolute discretion consider to be appropriate and may from time to time vary any such arrangements or make new arrangements in place thereof. The entitlement of any Member or proxy to attend an Annual General Meeting or General Meeting at such place shall be subject to any such arrangements as may be for the time being approved by the Directors. In the case of such meeting to which such arrangements apply the Directors may, when specifying the place of the meeting

5 8 1 direct that the meeting shall be held at a place specified in the notice at which the Chairman of the meeting shall preside ("**the Principal Place**"); and

5 8 2 make arrangements for simultaneous attendance and participation at other places by Members otherwise entitled to attend the meeting but excluded therefrom under the provisions of this Article or who wish to attend at any of such other places, provided that persons attending at the Principal Place and at any of such other places shall be able to see and hear, and be seen and heard by, persons attending at the Principal Place and at such other places, by any means.

Such arrangements for simultaneous attendance may include arrangements for controlling the level of attendance in any manner aforesaid at any of such other places, provided that they shall operate so that any such excluded Members as aforesaid are able to attend at one of such other places. For the purposes of all other provisions of these Articles, any such meeting shall be treated as being held and taking place at the Principal Place.

5.9 Amendment to resolutions

If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the Chairman of the meeting, any

error in such ruling shall not invalidate the proceedings on the substantive resolution. In the case of a resolution duly proposed as a Special Resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted on.

6 Poll

6.1 Demand of poll

At an Annual General Meeting or General Meeting a poll may be directed to be taken by the Chairman or may be demanded by not less than five Members or by a Member or Members representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the meeting, but unless a poll is so directed or demanded within fifteen minutes after a declaration by the Chairman that a resolution has been carried or lost, or carried or not carried by a particular majority, such declaration, together with an entry to that effect in the minutes of the proceedings of the meeting, shall be conclusive evidence of the fact

6.2 Withdrawal of poll

The demand for a poll may be withdrawn, before the poll is taken, but only with the consent of the Chairman. The withdrawal of a demand for a poll shall not invalidate the result of a show of hands declared before the demand for the poll was made.

6.3 How to be taken

Subject to Article 6.4, if a poll is demanded, it shall be taken in such manner (including the use of ballot or voting papers or tickets or electronic mail) and at such place and time but not more than thirty days from the date of the meeting, as the Chairman of such meeting shall direct. The meeting at which the poll is taken shall constitute a continuation of the meeting at which the poll was demanded and accordingly the entitlement of any Member to vote on the poll shall, irrespective of when the poll is taken, be the entitlement which such Member would have had if such poll had been taken at the meeting at which it was demanded.

6.4 When to be taken immediately

A poll demanded on the election of a Chairman of a meeting or on a question of adjournment shall be taken forthwith.

6.5 Result deemed Resolution

The result of a poll shall be deemed to be the resolution of the meeting.

6 6 Demand of poll not to prevent continuance of Meetings

The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the matter in respect of which the poll is to be taken.

6 7 Appointment of scrutineer

If a poll is to be taken the Chairman (or, in the case of a poll to be taken pursuant to Article 6 4, the Directors) shall appoint a person, who need not be a Member, as the scrutineer.

6 8 Report of scrutineer

The scrutineer shall be afforded every facility for ascertaining the number and validity of votes given and shall report in writing the result of the poll to the Chairman of the meeting. The report shall be conclusive and the Chairman must declare the result of the poll in accordance therewith.

7 Members and Votes of Members

7 1 Members and votes of Members

On a show of hands, every Member present in person (or, in the case of a Member being a corporation, by its duly authorised representative) or by proxy shall, save as otherwise provided in the statutes, have one vote, but so that, save as so provided in the statutes, no person shall be entitled to more than one vote on a show of hands. Upon a poll every Member present in person (or, in the case of a Member being a corporation, by its duly authorised representative) or by proxy or, to the extent permitted by the statutes and approved by the Directors, casting votes by means of electronic mail shall have one vote for every complete £1 payable yearly by way of premium as shown in the Society's records as the annual premium for maintaining the regular premium policies of the Society, for the time being held by him. The final decision as to the amount payable shall be at the discretion of the Directors. Provided that, in the case of a policy held jointly by two or more persons, only the first named Member in the policy (or such other Member named in the policy who has been notified in writing to the Society by all such joint holders) shall be entitled to vote in person or by proxy in respect of that policy.

7 2 Lump sum payment and other policies

Where a lump sum or single premium is paid for a policy issued by the Society, or in the case of paid-up policies or annuities or where there is otherwise in relation to a policy no regular and/or annual premium, the Directors shall at their absolute discretion decide the annual premium for the purposes of determining the number of votes to be cast by the Member on a poll in respect of that policy.

7 3 Qualification of voter

No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the Chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the Chairman decides that the same is of sufficient magnitude to vitiate the resolution or may otherwise have affected the decision of the meeting. The decision of the Chairman on such matters shall be final and conclusive.

7 4 Votes by proxy

7 4.1 All Members shall be entitled to exercise their vote by proxy. A Member may appoint one person, who need not be a Member of the Society, to act as his proxy.

7 4.2 An appointment of a proxy shall not be valid unless

- (a) in the case of an instrument in writing it is deposited at the Office (or at such other place or places within the United Kingdom as may be specified in the notice convening the meeting to which it relates) not less than 48 hours before the time fixed for the commencement of the meeting to which it relates;
- (b) in the case of an appointment contained in an electronic mail where an address has been specified for the purpose of receiving electronic mail
 - (i) in the notice convening the meeting, or
 - (ii) in any instrument of proxy sent out by the Society in relation to the meeting, or
 - (iii) in any invitation to appoint a proxy contained in an electronic mail issued by the Society in relation to the meeting,

it is received at such address not less than forty eight hours before the time fixed for the commencement of the meeting to which it relates;

7 4.3 In this Article 7 4 "address", in relation to electronic mail, includes any number or address used for the purposes of such electronic mail.

7 4.4 In calculating the period of 48 hours referred to in Article 7 4 2(a) or 7.4.2(b), no account shall be taken of any part of a day that is not a working day (within the meaning of section 1173 of the CA 2006).

7.5 Corporations as Member

Any corporation which is a Member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Society, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as the corporation could exercise if it were an individual Member. The corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present in person and all references to attendance and voting in person shall be construed accordingly. Any Director, the Secretary or any person authorised for the purpose by the Secretary may require the representative to produce a certified copy of the resolution so authorising him or such other evidence of his authority reasonably satisfactory to them before permitting him to exercise his powers.

7.6 Validity of vote by proxy

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, the revocation of the proxy or the transfer of any policy conferring the voting rights in respect of which the proxy is given, if no intimation in writing of the death, revocation, or transfer, authenticated to the satisfaction of the Directors, shall have been received at the Office before the meeting. The omission or failure by any proxy to act in accordance with any instructions given to him by his appointor shall not invalidate any vote cast by him or any resolution passed at the meeting concerned. The Society shall be under no obligation to investigate whether the exercise of any vote by any proxy (or by any representative of a corporation, as referred to in Article 7.5) accords with any instruction given by his appointor.

7.7 Form of proxy

Every instrument of proxy, whether for a specified meeting or otherwise, and whether submitted by electronic mail or some other form of writing, shall be in writing in any usual or common form or in any other form which the Directors may accept and

7.7.1 in the case of an individual shall be signed by the appointor or by his attorney or authenticated in accordance with Article 19.10, and

7.7.2 in the case of a corporation shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation or authenticated in accordance with Article 19.10.

Any signature on or authentication of such instrument need not be witnessed. Where an instrument appointing a proxy is signed or authenticated in accordance with Article 19.10, on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (if not previously registered with the Society) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

7.8 Outstanding premium

In relation to any poll the Directors may, in their absolute discretion, determine that the annual premium of any policy for which the last renewal premium is outstanding and overdue for payment shall not be counted for the purposes of calculating the number of votes which a Member is entitled to cast on such poll

7.9 Votes of Members suffering from incapacity

Where in England or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any Member on the grounds (however formulated) of mental disorder, the Directors may in their absolute discretion, subject to such evidence of the appointment as the Directors may require having been deposited at the Office not less than two clear working days prior to the time for holding the meeting (or adjourned meeting) at or in relation to which such receiver or other person proposes to vote or exercise any other right, permit such receiver or other person to vote in person or by proxy at any Annual General Meeting or General Meeting on behalf of such Member or to exercise any other right conferred by Membership in relation to meetings of the Society.

7.10 Record date for voting entitlement

Notwithstanding any other provision of these Articles, the Directors may in respect of any Annual General Meeting or General Meeting, or any class meeting as referred to in Article 4.10, specify any date (a "record date") as the date at the close of business on which persons registered as Members of the Society shall be entitled to vote at such meeting. The number of votes which a Member shall be entitled to cast on a poll at any Annual General Meeting or General Meeting or class meeting shall be determined by reference to the policies held by such Member at the record date in respect of such meeting. No change in the register of the Society's Members, or in the policies held by a Member (or the premium payable in respect of any such policy), after the record date in respect of any Annual General Meeting or General Meeting or class meeting and prior to the date of such meeting shall affect the voting entitlements determined as at such record date pursuant to this Article 7.10. The foregoing provisions of this Article 7 shall in all respects be subject to this Article 7.10

8 Directors

8.1 Number of Directors

Subject to Article 8.17, the Board of Directors shall consist of not less than eight and not more than twelve Directors provided that the Society in General Meeting may from time to time by Special Resolution increase or reduce the minimum or maximum arithmetical number of Directors specified in this Article 8.1, and provided further that the power given by this Article to increase or reduce the arithmetical number of Directors shall not itself authorise the actual appointment or removal of any Director to or from office

8.2 Qualification of Directors

Directors must be Members

8.3 Term of Office of Directors

A Director shall hold office until the dissolution of the third Annual General Meeting after the Annual General Meeting at which he was last elected. A retiring Director shall, if qualified, be eligible for re-election.

8.4 When candidate for office of Director must give notice

A person who is not a retiring Director shall, unless recommended by the Directors for election, not be eligible for election to the office of Director at any General Meeting, unless there has been delivered to the Office at least sixty days before the meeting a notice in writing under his hand, signifying his candidature for the office, and such notice of candidature has also been signed by not less than 100 Relevant Members of the Society (and for the purposes of this Article 8.4 a Relevant Member is a Member of the Society who is at least 18 years of age on the date upon which the relevant notice of candidature is so delivered and who has been a Member of the Society throughout the period of two years ending on the date of such delivery). Any notice of candidature delivered as aforesaid and signed by not less than 100 Relevant Members shall contain details of at least one policy issued by the Society which is held by each of such Relevant Members.

The Directors shall include in the agenda for the General Meeting the subject matter of any such notice delivered in accordance with this Article 8.4 and give due notice thereof to the Members.

This Article shall not apply to the election by a General Meeting of a person as a Director to raise the number of Directors to the minimum number.

8.5 Election of Directors at Annual General Meeting

Subject to the provisions of the preceding Articles:

8.5.1 the Annual General Meeting may fill the places of the retiring Directors by the election of an equal number of qualified persons, and

8.5.2 the Society may, by ordinary resolution passed at the Annual General Meeting but not otherwise appoint a person who is willing to act to be a Director, either to fill a vacancy or as an addition to the existing Directors.

but not (subject to Article 8.17) so that the total number of Directors shall exceed any maximum number fixed in accordance with these Articles.

8.6 Power for Directors to resign

A Director may resign his office on giving notice in writing to the Directors of his intention to do so, and his resignation shall take effect on the receipt by the Directors of such notice or at such later time as shall be specified in the notice

8.7 Disqualification for office of director

A Director shall cease to be a Director if he or she.

8.7.1 becomes bankrupt or makes any composition with his or her creditors generally or applies to the court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act;

8.7.2 becomes prohibited by law from being Director,

8.7.3 becomes incapable by reason of mental disorder, illness or injury of managing and administering his property and affairs,

8.7.4 ceases to be a Member of the Society,

8.7.5 is requested in writing by not less than two thirds of his co-Directors to resign,

8.7.6 is convicted of any criminal act or omission unless the Directors determine otherwise,

8.7.7 resigns from office by giving written notice to the Society;

8.7.8 is removed by a resolution of the Members;

8.7.9 fails to attend any Board Meetings for a period of 6 months or longer without special leave of the Directors and the Directors determine that he shall be removed from the board;

8.7.10 dies, or

8.7.11 without the prior authorisation of the Directors pursuant to Article 8.15.1 accepts the office of a director or officer in, or employment by, any other organisation, company or body deemed by the Directors to be in direct competition with the business of the Society

and a Member shall be prohibited from becoming a Director if he is at any time within one of categories 8.7.1, 8.7.2 or 8.7.3 of this paragraph or (unless the Directors otherwise determine) if he is at any time the subject of a custodial sentence imposed by a court in the United Kingdom in respect of any criminal act or omission and in any such case a resolution of the Directors declaring his disqualification is conclusive as to the fact

The office of a Director shall also be vacated if the Directors pass a resolution to that effect either

- (a) after a regulatory authority has made it a condition of the Society's continued authorisation that such Director should cease to hold office or has imposed a requirement or made a recommendation that he or she should cease to hold office, or
- (b) upon or following failure by such Director to obtain or maintain any personal authorisation required from a regulatory authority relevant to the office of Director.

8 8 Casual vacancies among Directors

A casual vacancy among the Directors occasioned by death, resignation, disqualification, removal or otherwise or a vacancy through non-re-election may be filled by the Directors, if they think fit. A Director so appointed shall hold office only until the next Annual General Meeting, and should he be elected at that meeting, he shall hold office for the succeeding period of three years in accordance with Article 8 3

8 9 Directors may act

The Directors may act notwithstanding any vacancy in their body.

8.10 Directors may hold other offices

A Director may hold any other office under the Society (but not that of auditor) in conjunction with the office of Director, and on such terms as to remuneration and otherwise as the Directors may arrange

8.11 Remuneration of Directors

The Directors' remuneration shall be such as shall be from time to time determined by the Society in General Meeting, but they shall in any event be entitled to be paid their reasonable hotel, travelling and out of pocket expenses incurred by them in connection with their attendance at meetings of Directors or committees of Directors or General Meetings or otherwise in connection with the discharge of their duties subject to the production of satisfactory receipts

8.12 Directors may contract with Society

Subject to the provisions of the statutes and provided that Article 8 13 is complied with, a Director

8 12 1 may be a party to, or otherwise interested in, any transaction or arrangement with the Society, or in which the Society is otherwise interested,

8.12.2 may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body

corporate promoted by the Society or in which the Society is otherwise interested,

8 12 3 shall not, by reason of his office, be accountable to the Society for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit; and

8 12 4 may act by himself or his firm in a professional capacity for the Society, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director, provided that nothing herein contained shall authorise a Director or his firm to act as auditor to the Society

8.13 Disclosure of interests

8 13 1 A Director shall declare the nature and extent of any interest of his in a Relevant Situation (within the meaning of Article 8 15 1) to the other Directors as soon as is reasonably practicable.

8 13.2 If a Director is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the Society (including, without limitation, any contract or proposed contract with the Society), he must declare the nature and extent of that interest to the other Directors before the Society enters into such transaction or arrangement

8 13 3 Where a Director is in any way, directly or indirectly, interested in a transaction or arrangement (including, without limitation, any contract) that has been entered into by the Society, he must declare the nature and extent of his interest to the other Directors as soon as is reasonably practicable, unless the interest has been declared under Article 8.13.1 or Article 8 13 2.

8.13.4 The declaration of interest must (in the case of Article 8.13.3), and may, but need not, (in the case of Article 8 13 1 or Article 8.13 2) be made:

- (a) at a meeting of the Directors; or
- (b) by notice to the Directors in accordance with.
 - (i) section 184 of the CA 2006 (notice in writing); or
 - (ii) section 185 of the CA 2006 (general notice)

and if any such declaration of interest proves to be, or becomes, inaccurate or incomplete, a further declaration must be made.

8 13 5 This Article 8.13 does not require a declaration in relation to an interest of which the Director is not aware, or in circumstances where the Director is not aware of the transaction or arrangement in question For

this purpose, a Director is treated as being aware of matters of which he ought reasonably to be aware

8.13.6 A Director need not declare an interest pursuant to this Article 8.13

- (a) if it cannot reasonably be regarded as likely to give rise to a conflict of interest,
- (b) if, or to the extent that, the other Directors are already aware of it (and for this purpose the other Directors are treated as being aware of anything of which they ought reasonably to be aware); or
- (c) if, or to the extent that, it concerns terms of his service contract that have been or are to be considered
 - (i) by a meeting of the Directors, or
 - (ii) by a committee of the Directors appointed for such purpose.

8.14 Interested Director not to vote or count for quorum

Save as provided in this Article 8.14, a Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Directors or of a committee of the Directors concerning any contract, arrangement, transaction or any other proposal whatsoever to which the Society is or is to be a party and in which he has an interest which is to his knowledge a material interest or concerning any matter in which he otherwise has an interest or duty which is material and which conflicts or may conflict with the interests of the Society, unless in any such case either his interest arises by reason of his being, or being interested in, a Member of the Society or (there being no material interest of such Director other than as indicated below) the resolution concerns any of the following matters

- 8.14.1 the giving of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Society or any of its subsidiaries;
- 8.14.2 the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Society or any of its subsidiaries for which he himself has assumed responsibility in whole or in part, and whether alone or jointly with others, under a guarantee or indemnity or by the giving of security;
- 8.14.3 any proposal concerning an offer of shares or debentures or other securities of or by the Society or any of its subsidiaries in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
- 8.14.4 any proposal concerning any other body corporate (including, without limitation, any service company which is a subsidiary of the Society and

which employs individuals who are engaged in the Society's business) in which he does not to his knowledge have a beneficial interest in one per cent or more of the issued equity share capital of any class of such body corporate or of the voting rights available to members of such body corporate (whether or not he is a director of such body corporate),

8.14 5 any proposal relating to a retirement benefits scheme which has been approved, or which is conditional upon approval, by HM Revenue & Customs for taxation purposes or to an arrangement for the benefit of the employees of the Society or any of its subsidiaries which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates,

8 14.6 any proposal, contract or arrangement concerning:

- (a) the giving to him of any indemnity in circumstances where such indemnity constitutes qualifying third party indemnity provision (within the meaning of section 234 of the CA 2006) and/or qualifying pension scheme indemnity provision (within the meaning of section 235 of the CA 2006),
- (b) the provision to him of any funds to meet expenditure incurred or to be incurred by him in the circumstances specified in section 205(a) of the CA 2006 and/or in section 206(a) of the CA 2006,
- (c) enabling him to avoid incurring any such expenditure as is referred to in Article 8 14 6(b) above; or

8 14 7 any proposal concerning insurance which the Society proposes to maintain or purchase for the benefit of Directors or for the benefit of persons who include Directors

For the purpose of this Article 8 14, an interest of a person who is connected with a Director (within the meaning of section 252 of the CA 2006) shall be treated as an interest of that Director. If any question arises at any meeting as to the entitlement of any Director to vote, and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be decided, in the case of any Director other than the Chairman, by the Chairman, whose ruling shall be final and conclusive, and, in the case of the Chairman, by resolution of the other Directors present at the meeting, whose majority vote shall be final and conclusive

8 15 Authorisation of conflicts

8.15 1 For the purposes of section 175 of the CA 2006, the Directors shall have the power to authorise, on such terms (including as regards duration and revocation), and subject to such, if any, limits or conditions, as they may determine, any matter which would or might otherwise constitute or give rise to a situation (a “**Relevant Situation**”) in which a Director (an “**Interested Director**”) has, or can have, a direct or indirect interest that

conflicts, or possibly may conflict, with the interests of the Society (including, without limitation, in relation to the exploitation of any property, information or opportunity, whether or not the Society could take advantage of it). Any authorisation of a Relevant Situation pursuant to this Article 8.15 shall extend to any actual or possible conflict of interest which may reasonably be expected to arise out of the Relevant Situation so authorised

8 15 2 Any reference in Article 8.15.1 to a conflict of interest includes a conflict of interest and duty and a conflict of duties.

8 15.3 An Interested Director shall be obliged to act in accordance with any terms, limits or conditions determined by the Directors under Article 8 15.1.

8.15.4 Any proposal made to the Directors and any authorisation by the Directors in relation to a Relevant Situation shall be dealt with in the same way as that in which any other matter may be proposed to and resolved upon by the Directors, provided that the Interested Director, and any other Director with a similar interest, shall not be counted in the quorum at the meeting at which the Relevant Situation is considered and any votes that he or they cast on a resolution to authorise a Relevant Situation shall not be counted.

8 15 5 Any authorisation of a Relevant Situation given by the Directors under Article 8.15.1 may provide that:

8 15 5 1 where the Interested Director obtains (other than through his position as a Director of the Society) information that is confidential to a third party, he will not be obliged to disclose it to the Society or to use it in relation to the Society's affairs in circumstances where to do so would amount to a breach of that confidence,

8 15.5 2 where the Interested Director has a direct or indirect interest in a matter which conflicts, or possibly may conflict, with the interests of the Society, he may absent himself from the discussion of such matter at any meeting of the Directors and be excused from reviewing papers prepared by or for the Directors to the extent that they relate to that matter

and anything done (or omitted to be done) by the Interested Director in accordance with any such provision (or otherwise in accordance with the terms of any authorisation given under Article 8 15 1) will not constitute a breach by him of his duties under sections 172 to 174 of the CA 2006

8 15.6 A Director shall not, by reason of his holding office as a Director, be liable to account to the Society for any remuneration, profit or other

benefit resulting from any Relevant Situation authorised under Article 8.15.1 (subject to any terms upon which, or limits or conditions subject to which, such authorisation was subject) and no contract shall be liable to be avoided on the grounds of any Director having any type of interest authorised under Article 8.15.1 and nor shall the receipt of any such remuneration, profit or other benefit constitute a breach of the relevant Director's duties under section 176 of the CA 2006.

8.16 Retiring Directors to remain in office till successors appointed

If at any Annual General Meeting or General Meeting at which an election of Directors ought to take place the places of the retiring Directors are not filled up, the retiring Directors, including any Director appointed by the Directors to fill a casual vacancy, or such of them as have not had their places filled up, shall, if willing, continue in office until the dissolution of the Annual General Meeting in the next year, and so on from year to year until their places are filled up, unless it shall be determined at such meeting to reduce the number of Directors or not for the time being to fill the vacancy

8.17 Appointment of Additional Directors

Without prejudice to the powers of the Directors pursuant to Article 8.8, the Directors shall have the power at any time to appoint any person as a Director by way of an addition to the existing Directors notwithstanding that, as a result of such appointment, the number of Directors shall be increased so as to exceed the maximum number specified in Article 8.1, provided that

8.17.1 there shall not at any time be more than one serving Director who has been appointed pursuant to this Article 8.17 and who has not subsequently been elected at an Annual General Meeting,

8.17.2 any Director appointed pursuant to this Article 8.17 shall hold office only until the next Annual General Meeting following such appointment, whereupon

8.17.2.1 if the number of Directors has at the date of the notice convening such Annual General Meeting reduced (or is, taking into account any Director who is to retire at or before such Annual General Meeting and who is not seeking re-election and in respect of whose retirement no candidate is being recommended by the Directors in order to fill the resultant vacancy, to reduce at or prior to such Annual General Meeting) so as no longer to be in excess of the maximum number specified in Article 8.1, such Director shall be eligible for election at such Annual General Meeting (on the same basis as if he had originally been appointed pursuant to Article 8.8) and, should he be so elected, shall hold office for the succeeding period of three years in accordance with Article 8.3; or

8.17.2.2 in any other circumstances, such Director shall retire at the conclusion of such Annual General Meeting and shall not be eligible for election or re-election at such Annual General Meeting

Any election at an Annual General Meeting, as referred to in Article 8.17.2.1, of a Director who was originally appointed pursuant to this Article 8.17 shall be deemed (including for the purposes of Article 8.16) to fill the vacancy arising from the cessation in the office of Director of any person who was a Director at the time of such original appointment but who has ceased to hold such office at or prior to such Annual General Meeting

9 Proceedings of Directors

9.1 Meetings of Directors

The Directors shall meet for the dispatch of business as and when required and, subject as aforesaid, may meet, adjourn and otherwise regulate their meetings and proceedings (including the fixing of a quorum for the dispatch of business) as they may see fit. Unless otherwise fixed by the Directors, the quorum for Directors' meetings shall be two. Full minutes shall be kept of the proceedings at each meeting. It shall not be necessary to give notice of a meeting to a Director who is absent from the United Kingdom.

9.2 How questions to be decided

Questions arising at any meeting shall be decided by a majority of votes and, in case of an equality of votes, the Chairman of the meeting shall have a second or casting vote.

9.3 Appointment of Chairman and Vice-Chairman

The Directors at their first meeting after the Annual General Meeting in each year shall elect one Director to be Chairman of the Directors and may, if they see fit, elect another to be Vice-Chairman, and may determine the period for which such officers shall respectively hold office.

9.4 How Meetings to be called

The Chairman, or in his absence or incapacity to act the Vice-Chairman (if there be one), or any three Directors, may by written notice to the Secretary, or person performing the duties of the Secretary, require a meeting of Directors to be called. A meeting of Directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles for the time being vested in, or exercisable by, the Directors generally.

9.5 Committees of Directors

The Directors may, subject to any provision of the statutes or these Articles, delegate any of their powers to committees consisting of two or more members of their body as they may think fit but any committee so formed shall, in the

exercise of the powers delegated, conform to any regulations or restrictions imposed on them by the Directors. The Directors may confer such powers either collaterally with, or to the exclusion of and in substitution for, all or any of the powers of the Directors in that respect and may from time to time revoke, withdraw, alter or vary any of such powers and discharge any such committee in whole or in part. Insofar as any power is so delegated any reference in these Articles to the exercise by the Directors of such power shall be construed as if it were a reference to the exercise of such power by the relevant committee.

9 6 Meetings of committees

The meetings and proceedings of any such committee shall be governed by the provisions of these Articles for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto, and are not superseded by the express terms of the appointment of the committee or by any such Articles

9.7 Chairman and Vice-Chairman of Directors to be Chairman and Vice-Chairman of Society

The Chairman of Directors shall be the Chairman of the Society and in like manner the Vice-Chairman (if any) shall be the Vice-Chairman of the Society

9 8 Absence of Chairman

If, at any meeting of the Directors, the Chairman is not present within ten minutes after the time appointed for the meeting, the Vice-Chairman shall take the chair, but if there is no Vice-Chairman, or if the Vice-Chairman is not then present, the Directors then present shall choose one of themselves to take the chair at that meeting.

9.9 Casual vacancy in office of Chairman

A casual vacancy in the office of Chairman shall be filled as soon as conveniently may be by the Directors, not less than seven days' notice being served on the Directors of the meeting at which it is proposed to fill the same, and of the object of the meeting, but if, on a casual vacancy in the office of Chairman, the Vice-Chairman is elected to fill it, the vacancy in the office of Vice-Chairman may be filled at the same meeting without specific notice. The Director elected to fill such a casual vacancy shall hold office so long only as the vacating Chairman or Vice-Chairman would have been entitled to hold office

9 10 Remuneration for extra services

If any Director shall be called upon to perform extra services, or to make any special exertions for any of the purposes of the Society or the business thereof, the Society shall remunerate the Director either by a fixed sum or by a percentage of profits or otherwise, as may be determined by the Directors

9 11 Resolutions in writing

A resolution in writing, signed by all the Directors entitled to receive notice of a meeting of Directors or of a committee of Directors, shall be as valid and effective as if it had been passed at a meeting of Directors or (as the case may be) a committee of Directors duly convened and held. Such a resolution may consist of several documents in the same form, each signed by one or more of the Directors.

9 12 Directors' resolutions by video-conference, telephone etc

A resolution of the Directors, or of a committee of the Directors, may be taken by means of a video-conference or telephone conference (or by means of any other communication equipment) which allows all persons participating to hear each of the others at all material times. Any decision so arrived at will be deemed a decision of a meeting of the Directors or a committee of the Directors (as the case may be) and all of the provisions of these Articles relating to meetings of Directors will apply, mutatis mutandis. A Director participating in such a decision will be deemed to be present in person, and will be entitled to vote or be counted in a quorum accordingly. Such a decision will be deemed to have been arrived at where the largest group of those participating is assembled or, if there is no such group, where the chairman of the proceedings was at the time.

10 Chief Executive and other Executive Directors

10 1 Directors may appoint

Subject to the provisions of the statutes

10 1 1 the Directors shall from time to time appoint one of their number or any other person to be Chief Executive of the Society and fix his term of office and remuneration, and

10 1 2 the Directors may from time to time appoint one of their number to hold any other employment or executive office and fix his term of office and remuneration

10.2 Chief Executive to have conduct of business of Society

A Chief Executive shall conduct the business of the Society under the control of the Directors.

10 3 Powers of Chief Executive and other Executive Directors

The Directors may delegate to a Chief Executive or any other Director holding executive office such powers as the Directors shall from time to time think fit provided that the Directors shall from time to time determine which of their

powers shall be exercisable by the board of Directors and shall not be delegated under this Article

11 Powers of Directors

11.1 General powers of Society vested in Directors

The Directors may in addition to the powers and authorities by these Articles expressly conferred on the Directors, exercise all such powers and do all such acts and things as can lawfully be exercised or done by the Society and as are not by any Act of Parliament or by these Articles expressly directed or required to be exercised or done by a General Meeting subject nevertheless to the provisions of the statutes and of these Articles and to any new Article from time to time made by the Society; but no such new Article shall invalidate any prior act of the Directors

11.2 Specific powers given to Directors

Without prejudice to the general powers conferred by the last preceding paragraph of this Article, and the other powers conferred by these Articles, it is hereby declared that the Directors shall have the following powers, that is to say:

- 11 2 1 to purchase or otherwise acquire for the Society any property rights or privileges at such price and generally on such terms and conditions as they think fit;
- 11 2 2 at their discretion to pay for any property rights or privileges acquired by or services rendered to the Society, either wholly or partially in cash or in any securities of the Society, and any such securities may be either specifically charged upon all or part of the property of the Society or not so charged;
- 11 2.3 to exercise all borrowing powers of the Society,
- 11.2 4 to secure the fulfilment of any contracts or engagements entered into by the Society by mortgage or charge of all or any part of the property of the Society for the time being, or in such other manner as they think fit;
- 11.2.5 to pay all or any of the costs, charges and expenses of or incidental to the raising of any loan;
- 11 2.6 to appoint and at their discretion remove or suspend such managers, employees and agents for permanent, temporary or special services as they from time to time think fit and to determine their powers and duties and fix their salaries or emoluments and to require security in such instances and to such amount as they think fit,
- 11.2 7 to appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Society any property belonging to the Society or in which it is interested or for any other purposes and to execute and do

all such deeds and things as may be requisite in relation to any such trust and to provide for the remuneration of such Trustee or Trustees,

- 11.2.8 to institute, conduct, defend, compound or abandon any legal proceedings by or against the Society or its officers or otherwise concerning the affairs of the Society and also to compound and allow time for payment or satisfaction of any debts due and of any claims or demands by or against the Society;
- 11 2.9 to refer any claims or demands by or against the Society to arbitration and to observe and perform the awards,
- 11 2.10 to make and give receipts, releases and other discharges for money payable to the Society and for the claims and demands of the Society,
- 11 2.11 to determine who shall be entitled to sign on the Society's behalf bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and documents,
- 11 2 12 to expend the funds of the Society in such manner as they shall consider most beneficial and to invest and deal with any of the moneys of the Society not immediately required for the purposes thereof in such purchases or upon such securities and in such manner as they think fit and from time to time to vary or realise the property and investments for the time being representing the same,
- 11 2 13 to execute in the name and on behalf of the Society in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Society such mortgages, charges, encumbrances or other security of and upon the Society's property present and future as they think fit and any such mortgage, charge, encumbrance or security may contain a power of sale and such other powers, covenants and provisions as shall be agreed on,
- 11 2 14 to remunerate any person or persons for any services rendered to the Society by commissions, percentages or otherwise, such remuneration to be treated as part of the working expenses of the business in respect of which the same shall have been paid,
- 11.2 15 from time to time to make, vary and repeal bye-laws for the regulation of the business of the Society its officers and employees, provided that no bye-law shall have any validity or effect if it amounts to or involves any such alteration or addition to these Articles as could only lawfully be made by Special Resolution,
- 11 2 16 to create different classes of Membership in respect of any policies issued by the Society and to confer or impose on the Members of any such class such rights and restrictions in relation to such policies as the Directors shall, in their absolute discretion, from time to time determine and the issue of a policy by the Society to any proposer, and

the entry of the proposer's name in the register of Members of the Society, shall constitute the person concerned a Member of the relevant class in relation to that policy upon such terms as determined by the Directors;

- 11.2.17 to enter into all such negotiations, guarantees and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Society as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Society,
- 11.2.18 to authorise the use of the Common Seal of the Society in such manner as the Directors think fit in the presence of such persons as the Directors may from time to time by resolution determine and such persons shall sign every instrument to which the Seal shall be affixed in their presence and, in favour of any person dealing with the Society, such signatures shall be conclusive evidence of the fact that the Seal has been properly affixed and unless otherwise so determined it shall be signed by a Director and by the Secretary or by a second Director, and
- 11.2.19 to appoint by power of attorney, upon such terms (including remuneration) as they think fit, any person or persons, or the holder for the time being of any office, to be the attorney or attorneys of the Society for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with such attorney or attorneys as the Directors may think fit and may also authorise such attorney or attorneys to delegate all or any of the powers, authorities and discretions vested in him or them

12 Regional Advisory Boards

The Directors from time to time and at any time may:

- 12.1 establish Regional Advisory Boards to promote the interests of the Society in, and superintend the affairs of the Society of a regional character in, any country or region and specify the duties of the members of any such Regional Advisory Board;
- 12.2 appoint any persons to be members of any such Regional Advisory Board (upon such terms and for such period or periods as the Directors may determine) and fix their remuneration (by fixed payment, share of profits or otherwise) and the time to be allocated by them to such role,
- 12.3 appoint any of such members of a Regional Advisory Board to be the chairman of that Regional Advisory Board (upon such terms and for

such period or periods as the Directors may determine) and appoint any employee of the Society (or any other person determined by the Directors) to act as secretary at all meetings of, and otherwise in relation to, any Regional Advisory Board,

- 12.4 delegate to any persons so appointed any of the powers, authorities and discretions for the time being vested in the Directors (with power to sub-delegate) and any such appointment or delegation may be made on such terms and subject to such conditions and regulations as the Directors may think fit;
- 12.5 in their absolute discretion, remove any person so appointed and if deemed necessary appoint another in his stead and annul or vary any such delegation;
- 12.6 increase or diminish the number of members of any and every Regional Advisory Board or abolish, discontinue or suspend any Regional Advisory Board,
- 12.7 make provision for regulating the meetings and proceedings of the Regional Advisory Boards and for the reporting to the Directors or otherwise to the Society of the proceedings of the Regional Advisory Boards, and
- 12.8 make, revoke, alter, add to or vary any bye-laws which they may deem necessary as to all or any one or more of such Regional Advisory Boards.

Save if and to the extent specifically authorised by the Directors, no Regional Advisory Board (or member of a Regional Advisory Board) shall have any authority (express or implied) to bind the Society in any manner

13 Financial Provisions

13.1 Application of funds

The Directors shall have absolute power and authority subject to the provisions of the Financial Services and Markets Act 2000 or any Act amending, extending or re-enacting the same

- 13.1.1 to deal with, dispose of and apply the balances of each and every of the revenue and profit and loss accounts and with transfers to and from any reserve fund,
- 13.1.2 to apportion, allocate and divide any profits or interest to and among the Members or any of them or any class of Member or any Members of any class then entitled to participate in the same in such manner and form as the Directors may think fit and either absolutely or conditionally

13 2 Mode of disposal

The Directors may pay the apportioned sums, profits or interest aforesaid to the respective Members to whom the Directors may have allocated the same in cash or such respective sums may be retained by the Society and may be, at the discretion of the Directors, applied in reduction of the future premium or premiums to become due from the respective Members or be disposed of in any other manner as the Directors may think fit

13 3 Transfer of Member's share of funds

Any Member's share of the funds, apportioned sums, profits or interest, which shall not be paid out or applied in reduction of future premium or premiums to become due from the respective Members or otherwise disposed of pursuant to the foregoing Article, may, at the discretion of the Directors, be carried over to the general reserve fund of the Society.

13.4 Separate investment not necessary

It shall not be necessary to invest separately the moneys standing to separate credits or departments in the Society's books

14 Policies

The policies of the Society shall be issued on such terms and conditions and in such form as the Directors shall, from time to time, determine

15 Accounts

15 1 Departmental accounts to be kept

The Directors shall cause accounts in accordance with the statutes to be kept in respect of each department of business for the time being transacted by the Society, of all sums of money received and expended by the Society and the matters in respect of which such receipts and expenditure take place and of the property, assets and liabilities of the Society The books of accounts shall be kept at the Office or, subject to the provisions of the statutes, at such other place or places as the Directors think fit and shall always be open to the inspection of the Directors

15.2 Annual accounts

At the Annual General Meeting in every year the Directors shall lay before the Society, duly audited, a profit and loss account and a balance sheet made up to a date not more than twelve months before the Annual General Meeting and from the time when the last preceding profit and loss account and balance sheet were made up in the forms required by the statutes to be prepared by insurance companies Such profit and loss account and balance sheet shall have attached thereto the Auditors' report thereon and such balance sheet shall be signed on behalf of the Board of Directors by two Directors

15.3 Report of Directors

Every such profit and loss account and balance sheet shall be accompanied by a report of the Directors in the form required by the statutes

15.4 Copies of annual accounts to be issued

Every Member shall be entitled without charge, upon application to the Secretary of the Society, to a copy of the annual accounts, comprising the profit and loss account and balance sheet referred to in Article 15.2 (and the Auditors' report thereon) and the Directors' report referred to in Article 15.3. If and to the extent permitted by the statutes, all or any of such documents may be delivered to a Member by means of electronic mail

15.5 Inspection of accounts and books

A Member shall not have any right of inspecting any account or books of the Society, except as authorised by the statutes, these Articles, the Directors or by resolution of a general meeting of the Society.

16 Limited liability of Members

16.1 Limited liability

The liability of each Member of the Society is limited to £2 or such lesser amount as may be required, as specified in Article 16.2

16.2 Contributions

Every Member of the Society undertakes to contribute to the assets of the Society in the event of its being wound up while he is a Member, or within one year after he ceases to be a Member, for payment of the debts and liabilities of the Society, contracted before he ceases to be a Member, and the costs, charges and expenses of winding-up and the adjustment of the rights of the contributories among themselves, such sum as may be required not exceeding the sum of £2

17 Office

The principal office of the Society shall be as the Directors may from time to time determine, and the Directors shall provide and maintain suitable buildings for the purposes of that office and of such other offices elsewhere as they may from time to time think fit.

18 Indemnity of Directors and Officers

18.1 Indemnity

Subject to the provisions of the statutes, but without prejudice to any indemnity to which any such person may otherwise be entitled, the Society may indemnify any person (other than any person engaged by the Society as Auditor) who is or

was a Director or other officer of the Society or of any associated company (within the meaning of section 256 of the CA 2006) of the Society against all costs, charges, losses and liabilities incurred by such person (whether in connection with any negligence, default, breach of duty or breach of trust by such person or otherwise) in relation to the affairs of the Society or any associated company, provided that this Article 18.1 shall be deemed not to provide for, or to entitle any person to, indemnification to an extent which causes this Article 18.1, or any part of it, to be treated as void under the statutes

18.2 Limitation of responsibility of Directors and Officers

A Director, trustee or other officer of the Society shall not be chargeable for any money not actually received by him, nor shall he be answerable for the act, receipt, neglect, or default of any other Director, trustee, or officer, or of any banker, broker, collector, agent, or other person appointed by the Directors with whom, or into whose hands, any property or money of the Society is deposited or comes, or for any defect in the title to property from time to time purchased, leased, or taken by order of the Directors on behalf of the Society, or for the insufficiency of any security on which any money of the Society is advanced or invested by order of the Directors, or for any loss or damage happening in the execution of his office.

18.3 Power to insure

Subject to the provisions of the statutes, the Directors may purchase and maintain insurance at the expense of the Society for the benefit of any person who is or was at any time a Director or other officer or employee of the Society or of any other company which is a subsidiary or subsidiary undertaking of the Society or in which the Society has an interest whether direct or indirect or who is or was at any time a trustee of any pension fund or employee benefit trust in which any employee of the Society or of any such other company is or has been interested indemnifying such person against any liability which may attach to him or loss or expenditure which he may incur in relation to anything done or alleged to have been done or omitted to be done as a Director, officer, employee or trustee

19 Notices

19.1 Any notice to be given to or by any person pursuant to these Articles shall be in writing or, where specified, by advertisement, except that a notice calling a meeting of the Directors need not be in writing

19.2 The Society may give any notice to a Member either

19.2.1 personally, or

19.2.2 by sending it by post in a prepaid envelope addressed to the Member at his registered address; or

19.2.3 by leaving it at that address;

19.2 4 by any other means authorised in writing by the Member concerned (including to the extent permitted by the statutes, by electronic mail),

(provided that, in the case of a policy held jointly by two or more persons, any notice shall be given only to the first named Member in the policy (or such other Member named in the policy who has been notified in writing to the Society by all such joint holders) and notice so given shall be sufficient notice to all the joint holders). A Member whose registered address is not within the United Kingdom and who gives to the Society an address within the United Kingdom at which notices may be given to him shall be entitled, subject to Article 19 7 (and, as regards any general meeting of the Society, Article 4 7 2), to have notices given to him at that address, but otherwise no such Member shall be entitled to receive any notice from the Society

- 19 3 A Member present in person at any meeting of the Society shall be deemed to have received notice of the meeting and, where necessary, of the purposes for which it was called
- 19 4 Where a notice is sent by post, proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted.
- 19 5 Any notice or other document not sent by post, but delivered or left at a registered address or address for service in the United Kingdom shall be deemed to have been served or delivered on the day on which it was so delivered or left
- 19 6 Any notice or other document sent by electronic mail shall, subject to the statutes and these articles, be deemed to have been served or delivered at the expiration of twenty-four hours from the time at which it was sent.
- 19.7 Any notice required to be given by the Society to the Members, or any of them, shall be sufficiently given if given by advertisement
- 19 8 Any notice required to be given or capable of being given by advertisement shall be advertised once in a London daily newspaper and once in any weekly agriculture newspaper as determined by the Directors
- 19.9 Where a given number of days' notice (not expressed to be clear days' notice) or notice extending over any other period is required to be given, the day of advertisement shall be included in such number of days or other period
- 19 10 Where these Articles require a notice or other document to be signed or authenticated by a Member or other person then any notice or other document sent or supplied in electronic form (within the meaning of the CA 2006) is sufficiently authenticated in any manner authorised by the Company Communication Provisions (as defined in section 1143 of the CA 2006) or in such other manner as may be approved by the Directors. The Directors may designate mechanisms for validating any such notice or other document and any

such notice or other documents not so validated by use of such mechanisms shall be deemed not to have been received by the Society

20 Dissolution

20.1 Provisions in event of voluntary winding-up

In the event of the voluntary winding-up of the Society, the Directors may make such provisions as may appear to them to be equitable for the officers of the Society and its agents and representatives, and may with that object contract with and pay to any other company, society, or institution of sound financial standing, such sums as may be necessary to provide for the due payment of any annuities, superannuation allowance or other similar obligation of the Society.

20.2 Surplus assets on dissolution

On a dissolution, after all the liabilities of the Society have been provided for, the Directors shall determine which part of any surplus assets shall be attributable to insurance business which does not confer on any Member or class of Member the right to participate in surplus and shall pay the same to such charity or charities as the Directors may from time to time in their absolute discretion determine. The balance of any such surplus assets shall be distributed among such Members and classes of Member then entitled to participate in surplus by reference to insurance business which confers such a right, in such manner and form and in such proportions as the Directors shall, with the approval of the Members determine.