

Resolution

**COMPANIES ACT 2006
SPECIAL RESOLUTION ADOPTING NEW ARTICLES OF ASSOCIATION**

Company number: 491580

Company name: Reliance Mutual Insurance Society Limited

At an Annual General Meeting* / ~~General meeting~~* (*delete as appropriate)


of the members of the above named company, duly convened and held at:

Charing Cross Hotel, Strand, LONDON, WC2N 5HX

on the 21st day of July 2011

THAT the regulations set out in the printed document produced to the meeting, and for the purpose of identification initialed by the chairman of the meeting, be adopted as the Articles of Association of the Society, in substitution for, and to the exclusion of, the existing Articles of Association

Signed:



~~*Director / secretary / CIC Manager (if appropriate) / administrator / administrative receiver / receiver manager / receiver, on behalf of the company. (*delete as appropriate)~~

SATURDAY



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COMPANIES HOUSE

Company number: 00491580

The Companies Act 2006

Private Company Limited by Guarantee
and not having a Share Capital

ARTICLES OF ASSOCIATION

of

RELIANCE MUTUAL INSURANCE SOCIETY
LIMITED

(adopted by a special resolution passed on 21 July 2011)

Incorporated on 15 February 1951

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Ref: PARN/130903.00001



I certify this document
to be a true and exact
copy



22nd July 2011

Company Secretary
RELIANCE MUTUAL

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The Companies Act 2006

Private Company Limited by Guarantee and not having a Share Capital

ARTICLES OF ASSOCIATION

of

RELIANCE MUTUAL INSURANCE SOCIETY LIMITED

PART 1

INTERPRETATION AND LIMITATION OF LIABILITY

1. Defined terms and interpretation

1.1 In the Articles, unless the context requires otherwise

“**address**” has the meaning given in section 1148 of the Companies Act 2006,

“**Articles**” means the Society’s articles of association,

“**bankruptcy**” includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy,

“**Board**” the board of directors from time to time of the Society or those directors present at a duly convened meeting of the directors of which a quorum is present,

“**chairman**” has the meaning given in Article 43,

“**chairman of the meeting**” has the meaning given in Article 11,

“**Companies Acts**” means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the Society,

“**Director**” means a director of the Society, and includes any person occupying the position of director, by whatever name called,

“**document**” includes, unless otherwise specified, any document sent or supplied in electronic form,

“**electronic form**” has the meaning given in section 1168 of the Companies Act 2006,

“**electronic means**” has the meaning given in section 1168 of the Companies Act 2006,

“**hard copy form**” has the meaning given in section 1168 of the Companies Act 2006,

“**instrument**” means a document in hard copy form,

“**Member**” means a person who becomes a member of the Society in accordance with Article 3,

“**ordinary resolution**” has the meaning given in section 282 of the Companies Act 2006,

“Policy” means a policy of insurance including but not limited to capital redemption, life and annuity, linked long-term, marriage and birth, pension fund management and permanent health which has been or shall hereafter be effected with the Society or transferred to the Society in accordance with Article 3 3,

“relevant officer” means any person who is or was at any time a director, secretary, trustee of any pension fund in which any employees of the Society are interested in, or other officer (except an auditor) of the Society or any undertaking in the same group as the Society,

“Register” means the register of members of the Society,

“Society” means Reliance Mutual Insurance Society Limited registered under company number 00491580,

“special resolution” has the meaning given in section 283 of the Companies Act 2006,

“Statutes” every statute (including any statutory instrument, order, regulation or subordinate legislation made under it) concerning companies that are incorporated in England and Wales to the extent that it is for the time being in force or (where the context requires) was in force at a particular time, including the Companies Act 2006,

“subsidiary” has the meaning given in section 1159 of the Companies Act 2006,

“writing” means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise, and

“United Kingdom” means Great Britain and Northern Ireland

- 1 2 The relevant model articles (within the meaning of section 20 of the Companies Act 2006) are excluded
- 1 3 Unless the context otherwise requires, other words or expressions contained in the Articles bear the same meaning as in the Companies Act 2006 as in force on the date when the Articles become binding on the Society
- 1 4 Except where the contrary is stated or the context otherwise requires, any reference in the Articles to a statute or statutory provision includes any order, regulation, instrument or other subordinate legislation made under it for the time being in force, and any reference to a statute, statutory provision, order, regulation, instrument or other subordinate legislation includes any amendment, extension, consolidation, re-enactment or replacement of it for the time being in force
- 1 5 Words importing the singular number only include the plural and vice versa Words importing the masculine gender include the feminine and neuter gender Words importing persons include corporations

2. Liability of Members

The liability of each Member is limited to one penny, being the amount that each Member undertakes to contribute to the assets of the Society in the event of the Society being wound up while he is a Member or within one year after he ceases to be a Member, for (i) payment of the Society’s debts and liabilities contracted before he ceases to be a Member, (ii) payment of the costs, charges and expenses of winding up, and (iii) adjustment of the rights of the contributories among themselves

PART 2 MEMBERS

BECOMING AND CEASING TO BE A MEMBER

3. Membership

3 1 Such persons as the Directors shall admit to membership in accordance with the provisions of this Article 3 and the entry of such person's name in the Register shall constitute such person as a Member (upon such terms and conditions as the Board may from time to time in their absolute discretion determine), notwithstanding that no formal application for membership may have been made by such person, 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

3 2 The Members of the Society at any time shall be the following

3 2 1 every person who has effected or shall hereafter effect any Policy (and in the case of a Policy which has been effected or shall be effected hereafter by any two or more persons, they shall together be joint Members), and

3 2 2 every person whose Policy has transferred to the Society in accordance with Article 3 3

3 3 In the event of any agreement (in this Article called the "**Agreement**") for the transfer of engagements or policies to, or an amalgamation with, or the transfer of any insurance business to, the Society by any registered friendly society or insurance company becoming operative, every person who on the date when the Agreement becomes operative has effected with such friendly society or insurance company an insurance policy, *ipso facto* shall become a Member as from the date when the Agreement becomes operative, provided that the liability under such insurance policy then becomes vested in the Society pursuant to the Agreement

3 4 Upon such evidence being produced as the Board may require, if a Policy is effected by 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 formal application for membership may have been made by him

3 5 The Society shall not be bound to see to the execution of any trust, whether express, implied or constructive, to which any Policy or membership may be subject and a discharge of such Policy and membership 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 and membership may then be subject whether or not the Society has notice of such trust

3 6 Notwithstanding anything in this Article 3, a subsidiary of the Society shall not be a Member of the Society

4. Termination of membership

4 1 Any such person whose Policy has expired, matured, been surrendered, lapsed or has otherwise been cancelled or determined, shall thereafter cease to be a Member of the Society in respect of such Policy

4 2 In addition to Article 4 1, a person's membership of the Society shall *ipso facto* cease upon the death of that person or in the case of a corporation, on its dissolution, and subject to the provisions of Article 3 5, the right to membership of the Society shall not be in any way transferable or transmissible

PART 3 DECISION-MAKING BY MEMBERS

GENERAL MEETINGS

5. Convening general meetings

5 1 The Board may convene a general meeting whenever it thinks fit and shall do so on requisition in accordance with the Statutes

5 2 The Society shall hold at least one general meeting in every calendar year as its Annual General Meeting

NOTICE OF GENERAL MEETINGS

6. Length of notice period

An annual general meeting shall be convened by at least 21 clear days' notice. Subject to the Statutes, all other general meetings shall be convened by at least 14 clear days' notice. Subject to these Articles and to any restrictions imposed on Members, the notice shall be given to all the Members entitled to vote at general meetings and to the Directors and auditors of the Society

7. Contents of notices

7 1 Every notice calling a general meeting shall specify

7 1 1 the place, the day and the time of the meeting and the general nature of the business to be transacted,

7 1 2 (if such is the case) that the meeting is an annual general meeting and, if the notice is given more than six weeks before the annual general meeting, a statement of the right in accordance with the Statutes to require notice of a resolution to be moved or a matter to be included in the business of the meeting,

7 1 3 (if such is the case) that the meeting is convened to pass a special resolution,

7 1 4 with reasonable prominence that a Member is entitled to appoint a proxy to exercise all or any of his rights to attend, speak and vote at the meeting, that a proxy need not be a Member and the address or addresses where appointments of proxy are to be deposited, delivered or received insofar as any such address is other than the postal address of the registered office of the Society,

7 1 5 the address of the website on which the information required by the Statutes has been published in advance of the meeting,

7 1 6 the procedures with which Members must comply, and when, in order to be able to attend and vote at the meeting, and

7 1 7 a statement of the right of Members to ask questions in accordance with the Statutes

8. Omission or non-receipt of notice

No proceedings at any meeting shall be invalidated by any accidental omission to give notice of the meeting, or to send an instrument of proxy, to any person entitled to receive it or, in the case of notice in electronic form or made available by means of a website, to invite any such person

to appoint a proxy, or by reason of any such person not receiving any such notice, instrument or invitation

9. Change of date, time or place of meeting

If for any reason the Board considers it impractical or undesirable to hold a meeting on the day, at the time or in the place specified in the notice calling the meeting it can change the date, time and place of the meeting (or whichever it requires), and may do so more than once in relation to the same meeting. References in these Articles to the time of the holding of the meeting shall be construed accordingly. The Board will, insofar as it is practicable, announce by advertisement in at least one newspaper with a national circulation the date, time and place of the meeting as changed, but it shall not be necessary to restate the business of the meeting in that announcement.

PROCEEDINGS AT GENERAL MEETINGS

10. Quorum for general meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the choice or appointment of a chairman of the meeting. Except as otherwise provided by these Articles, seven Members present in person or by proxy and entitled to vote shall be a quorum for all purposes.

11. Chairing general meetings

11.1 If the Directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.

11.2 If the Directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start

11.2.1 the Directors present, or

11.2.2 (if no Directors are present), the meeting,

must appoint a Director or Member to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

11.3 The person chairing a meeting in accordance with this Article is referred to as “the chairman of the meeting”

12. Attendance and speaking by Directors and non-members

12.1 Directors may attend and speak at general meetings and at any separate meeting of any class of Members, whether or not they are Members.

12.2 The chairman of the meeting may permit other persons who are not (i) Members, or (ii) otherwise entitled to exercise the rights of Members in relation to general meetings, to attend and speak at a general meeting.

13. Attendance and speaking at general meetings

13.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

13.2 A person is able to exercise the right to vote at a general meeting when

- 13 2 1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
- 13 2 2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting
- 13 3 The Directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it
- 13 4 In determining attendance at a general meeting, it is immaterial whether any two or more Members attending it are in the same place as each other
- 13 5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them
- 14. Adjournment**
- 14 1 If within ten minutes (or such longer time not exceeding one hour as the chairman of the meeting may decide to wait) after the time appointed for the commencement of the meeting or quorum is not present, or if during a meeting a quorum ceases to be present, if the meeting was convened by the Members, the meeting shall be dissolved and, in any other case, the chairman of the meeting must adjourn it. If at the adjourned meeting the persons attending within ten minutes of the time at which the meeting was due to start do not constitute a quorum, the Members present shall constitute a quorum
- 14 2 The chairman of the meeting may at any time without the consent of the meeting adjourn any meeting (whether or not it has commenced or a quorum is present) either indefinitely or to such time and place as he may decide if it appears to him that
 - 14 2 1 the persons entitled to attend cannot be conveniently accommodated in the place appointed for the meeting,
 - 14 2 2 the conduct of persons present prevents, or is likely to prevent, the orderly continuation of business, or
 - 14 2 3 an adjournment is otherwise necessary so that the business of the meeting may be properly conducted
- 14 3 In addition, the chairman of the meeting may at any time with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting either indefinitely or to such time and place as he may decide
- 14 4 When adjourning a general meeting, the chairman of the meeting must
 - 14 4 1 either (i) confirm that the meeting will be adjourned to the next week, at the same time and place, (ii) that adjournment of the meeting will be held at a specified location and specify the time and place to which it is adjourned, or (iii) state that it is to continue at a time and place to be fixed by the Directors, and
 - 14 4 2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting
- 14 5 If the continuation of an adjourned meeting is to take place more than 30 days after it was adjourned, the Society must give at least seven clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given) to the same persons to whom notice of the Society's general meetings is required to be given, but it shall not be necessary to

specify in the notice the nature of the business to be transacted at the adjourned meeting
Otherwise, it shall not be necessary to give notice of an adjourned meeting

- 14 6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place

VOTES OF MEMBERS

15. Voting: general

- 15 1 Subject to Articles 15 2, 15 3 and 15 4, every Member shall have one vote
- 15 2 In the case of joint Members who are entitled to vote the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint Members, and seniority shall be determined by the order in which the names of the Members stand in the Register
- 15 3 No person shall be entitled to attend nor have any vote at a general meeting or at any separate meeting of any class of Members, either in person or by proxy, or exercise any other right or privilege as a Member unless he has been a Member in each of the 12 calendar months prior to the holding of such meeting or such record date as determined by the Board under Article 15 4 at which he claims to vote and the premium under his Policy is not outstanding for more than six weeks Any Policy made paid up with reduced benefits will be treated as having premiums more than six weeks in arrears
- 15 4 Notwithstanding any other provision of these Articles, the Board may in respect of any general meeting of the Society, or any class meeting, specify any date (a “**record date**”) as the date at the close of business on which persons registered as Members in the Register shall be entitled to vote at such meeting No change in the Register or in the policies held by a Member after the record date in respect of a general meeting or class meeting made prior to the date of such meeting shall affect the voting entitlements determined as at such record date pursuant to this Article
- 15 5 In the case of an equality of votes, whether on a show of hands or on a poll the Chairman of the meeting shall be entitled to a second or casting vote

16. Method of voting

- 16 1 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll, a poll is duly demanded Subject to the Statutes, a poll may be demanded by
- 16 1 1 the chairman of the meeting,
- 16 1 2 at least five Members or proxies entitled to vote on the resolution, or
- 16 1 3 any Member or proxy alone or together with one or more others representing in aggregate at least one-tenth of the total voting rights of all the Members having the right to attend and vote on the resolution
- 16 2 No poll shall be demanded on the election of a chairman of a meeting or on a question of adjournment
- 16 3 Unless a poll is so demanded and the demand is not withdrawn, a declaration by the chairman of the meeting that a resolution has been carried or carried unanimously or by a particular majority or not carried by a particular majority or lost 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

17. Votes of Member suffering incapacity

A Member in respect of whom an order has been made by any competent court or official on the ground that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote, whether on a show of hands or on a poll, by any person authorised in such circumstances to do so on his behalf and that person may vote on a poll by proxy. The vote of such Member shall not be valid unless evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote is deposited at the registered office of the Society, or at such other place as is specified in accordance with these Articles for the deposit of appointments of proxy in hard copy form, not later than the last time at which an appointment of proxy should have been delivered in order to be valid for use at that meeting or on the holding of that poll

18. Procedure if poll demanded

If a poll is duly demanded, it shall be taken in such manner as the chairman of the meeting directs and he may appoint scrutineers (who need not be persons entitled to vote) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded

19. Right to withdraw demand for a poll

The demand for a poll may, before the earlier of the close of the meeting and the taking of the poll, be withdrawn but only with the consent of the chairman of the meeting and, if a demand is withdrawn, any other persons entitled to demand a poll may do so. If a demand is withdrawn, it shall not be taken to have invalidated the result of a show of hands declared before the demand was made. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the chairman of the meeting may give whatever directions he considers necessary to ensure that the business of the meeting proceeds as it would have if the demand had not been made

20. When poll to be taken

A poll shall be taken either forthwith or on such date (being not more than 30 days after the poll is demanded) and at such time and place and in such manner or by such means as the chairman of the meeting directs. No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case, at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded

21. Continuance of other business after poll demanded

The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded

22. Proposal or amendment of resolution

A resolution proposed by the chairman of the meeting does not need to be seconded. In the case of a resolution duly proposed as a special resolution, no amendment to that resolution (other than an amendment to correct an obvious error) may be considered or voted upon. In the case of a resolution duly proposed as an ordinary resolution, no amendment to that resolution (other than an amendment to correct an obvious error) may be considered or voted upon unless at least 48 hours prior to the time appointed for holding the meeting or adjourned meeting at which such

ordinary resolution is to be proposed notice of the terms of the amendment and of the intention to move the amendment has been lodged in writing in hard copy form at the registered office of the Society or received in electronic form at the electronic address at which the Society has or is deemed to have agreed to receive it, or the chairman of the meeting in his absolute discretion decides in good faith that it may be considered and voted upon

23. Amendment of resolution ruled out of order

If an amendment is proposed to any resolution under consideration which the chairman of the meeting rules out of order, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling

24. Objections or errors in voting

24 1 If

24 1 1 any objection shall be raised to the qualification of any voter,

24 1 2 any votes have been counted which ought not to have been counted or which might have been rejected, or

24 1 3 any votes are not counted which ought to have been counted,

the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless it is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman of the meeting decides that the same may have affected the decision of the meeting. The decision of the chairman of the meeting on such matters shall be conclusive

PROXIES

25. Execution of an appointment of proxy

25 1 If the appointment of a proxy is

25 1 1 in hard copy form, it shall be executed under the hand of the appointor or of his attorney authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign it,

25 1 2 in electronic form, it shall be executed by or on behalf of the appointor

25 2 Subject as provided in this Article, in the case of an appointment of proxy purporting to be executed on behalf of a corporation by an officer of that corporation it shall be assumed, unless the contrary is shown, that such officer was duly authorised to do so on behalf of that corporation without further evidence of that authorisation

25 3 The Board may (but need not) allow proxy appointments to be made in electronic form, and if it does it may make such appointments subject to such stipulations, conditions or restrictions, and require such evidence of valid execution, as the Board thinks fit

25 4 A proxy need not be a Member of the Society

26. Times for deposit of an appointment of proxy

26 1 The appointment of a proxy shall

26 1 1 if in hard copy form, be deposited at the registered office of the Society (or at such other address within the United Kingdom as is specified for the purpose in the notice convening the meeting or in the instrument) not less than 48 hours, ignoring any part of a day that is not a working day, before the time of the holding of the meeting or adjourned meeting at which the person named in the appointment proposes to vote, or such later time as the Directors decide, or

26 1 2 if in electronic form, where an address has been specified for the purpose of receiving documents or information by electronic means

(a) in the notice convening the meeting, or

(b) in any instrument of proxy sent out by the Society in relation to the meeting, or

(c) in any invitation to appoint a proxy by electronic means issued by the Society in relation to the meeting,

be received at such address not less than 48 hours, ignoring any part of a day that is not a working day, before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote, or such later time as the Directors decide,

26 1 3 in the case of a poll taken more than 48 hours, ignoring any part of a day that is not a working day, after it is demanded, be deposited or received in that manner after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll, or such later time as the Directors decide, or

26 1 4 where the poll is not taken forthwith but is taken not more than 48 hours, ignoring any part of a day that is not a working day, after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman of the meeting or to any Director,

provided in each case that the power of attorney or other authority (if any) under which it is signed, or a copy of such authority certified notarially or in some other way approved by the Board, has been received in hard copy form (or, to the extent the Directors think fit, in electronic form) at the registered office of the Society, or at such other address or place within the United Kingdom as is specified for the purpose in the notice convening the meeting or in the instrument, no later than the latest time for receipt of the appointment of proxy. An appointment of proxy that is not deposited, delivered or received in a manner so permitted shall be invalid

26 2 Except as provided otherwise in any terms and conditions issued, endorsed or adopted by the Board to facilitate the appointment by Members of a proxy to exercise all or any of the Member's rights at a meeting, when two or more valid but differing appointments of proxy are deposited, delivered or received in respect of the same Member for use at the same meeting, the one which is last deposited, delivered or received (regardless of its date or of the date of execution) shall be treated as replacing the others as regards that Member, if the Society is unable to determine which was last deposited, delivered or received, none of them shall be treated as valid in respect of that Member

26 3 The deposit, delivery or receipt of an appointment of a proxy shall not preclude a Member from attending and voting in person at the meeting or poll concerned

27. Form of appointment of proxy

- 27 1 The appointment of a proxy shall be in any usual form or any other form that the Board may approve and may relate to more than one meeting. The Board may, if it thinks fit but subject to the Statutes, include with the notice of any meeting forms of appointment of proxy for use at the meeting.
- 27 2 Appointments of proxies may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions, but the Society shall not be obliged to ascertain that any proxy has complied with those or any other instructions given by the appointor and no decision on any resolution shall be vitiated by reason only that any proxy has not done so.
- 27 3 A Member may appoint one proxy in relation to a meeting. The appointment of a proxy shall be deemed to include all the relevant Member's rights to attend, speak and vote at the meeting and, except to the extent that the appointment comprises instructions to vote in a particular way, to permit the proxy to vote or abstain as the proxy thinks fit on any business properly dealt with at the meeting, including a vote on any amendment of a resolution put to the meeting or on any motion to adjourn.
- 27 4 On a vote on a resolution on a show of hands at a meeting, every proxy present who has been duly appointed by one or more Members entitled to vote on the resolution has one vote, except that if the proxy has been duly appointed by more than one Member entitled to vote on the resolution and
- 27 4 1 has been instructed by one or more of those Members to vote for the resolution and by one or more other of those Members to vote against it, or
- 27 4 2 has been instructed to vote the same way (either for or against) on the resolution by all of those Members except those who have given the proxy discretion as to how to vote on the resolution,
- the proxy is entitled to one vote for and one vote against the resolution.
- 27 5 The appointment shall, unless the contrary is stated in it, be as valid for any adjournment of the meeting as for the meeting to which it relates (regardless of any change of date, time or place effected in accordance with these Articles).

28. Validity of proxy

Subject to the Statutes, a vote given or poll demanded by proxy shall be valid notwithstanding the previous determination of the proxy's authority unless notice of such determination was received by the Society at the registered office of the Society (or at such other place at which the appointment of proxy was duly deposited or, where the appointment of the proxy was in electronic form, at the address at which such appointment was duly received) not later than the last time at which an appointment of proxy should have been deposited, delivered or received in order to be valid for use at the meeting or on the holding of the poll at which the vote was given or the poll demanded.

29. Maximum validity of proxy

A valid appointment of proxy shall cease to be valid after the expiration of 12 months from the date of its execution except that it will remain valid after that for the purposes of a poll or an adjourned meeting if the meeting at which the poll was demanded or the adjournment moved was held within the 12-month period.

CLASS MEETINGS

30. Class meetings

The Board 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, shall bind the Members of the class. The provisions of these Articles relating to general meetings apply, with any necessary modifications, to meetings of any class of Members

PART 4 DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

31. Directors' general authority

31 1 Subject to the Statutes and the Articles, the Board is responsible for the management of the Society's business, for which purpose they may exercise all the powers of the Society. No alteration of the Articles and no directions given by the Society in general meeting by special resolution shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that resolution had not been passed

31 2 The powers given by this Article shall not be limited by any special power given to the Board by any other Article

SPECIFIC POWERS

32. Pensions

The Board may establish and maintain, or procure the establishment and maintenance of, any pension or superannuation funds (whether contributory or otherwise) for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances and emoluments to, any persons (including Directors and other officers) who are or were at any time in the employment or service of the Society, or of any body corporate which is or was a subsidiary of the Society or allied to or associated with the Society or any such subsidiary, or of any of the predecessors in business of the Society or of any such subsidiary as stated above, and the spouses, widows, widowers, families and dependants of any such persons, and make payments to, or towards the insurance of or provide benefits otherwise for any such persons as stated above

33. The Society's name

The Directors may from time to time change the name of the Society to any name considered by the Board to be advantageous, expedient or otherwise desirable

34. Provision for employees

The Board may decide to make provision for the benefit of persons employed or formerly employed by the Society or any of its subsidiaries (other than a Director or former Director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Society or that subsidiary

35. Participation in profits

The Board may grant to any class or section of the Members a right to participate in the profits of the Society or in the profits of any particular branch or part of its business, or any other special privileges, advantages or benefits, provided that the fund of any particular class shall be as absolutely the security of the policyholders of that class as though it belonged to a society

carrying on no other business than insurance business of that class, and shall not be liable for any contract of the Society for which it would not have been liable had the business of the Society been only that of insurance of that class, and shall not be applied directly or indirectly for any purposes other than those of the class of business to which the fund is applicable

36. Members' reserve power

The Members may, by special resolution, direct the Directors to take, or refrain from taking, specified action. No such special resolution invalidates anything which the Directors have done before the passing of the resolution

DELEGATION OF DIRECTORS' POWERS

37. Directors may delegate

37 1 Subject to the Articles, the Directors may delegate any of the powers which are conferred on them under the Articles

37 1 1 to such person or committee,

37 1 2 by such means (including by power of attorney),

37 1 3 to such an extent,

37 1 4 in relation to such matters or territories, and

37 1 5 on such terms and conditions,

as they think fit. The power to delegate shall be effective in relation to the powers, authorities and discretions of the Directors generally and shall not be limited by the fact that in certain of the Articles, but not in others, express reference is made to particular powers, authorities or discretions being exercised by the Directors or by a committee authorised by the Directors

37 2 If the Directors so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated

37 3 The Directors may revoke any delegation in whole or part, or alter its terms and conditions

38. Committees

38 1 Committees to which the Directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the Articles which govern the taking of decisions by Directors

38 2 A member of a committee need not be a Director

38 3 The Directors may make rules of procedure for all or any committees, which prevail over rules derived from the Articles if they are not consistent with them

DECISION-MAKING BY DIRECTORS

39. Directors to take decisions collectively

39 1 The general rule about decision-making by Directors is that any decision of the Directors must be either a majority decision at a meeting or a decision taken in accordance with Article 40

- 39 2 If (i) the Society only has one Director, and (ii) no provision of the Articles requires it to have more than one Director, the general rule does not apply, and the Director may take decisions without regard to any of the provisions of the Articles relating to Directors' decision-making

40. Competence of the Board

A meeting of the Board at which a quorum is present shall be competent to exercise all powers, authorities and discretions for the time being vested in or exercisable by the Board

41. Calling a Directors' meeting

- 41 1 Any Director may call a Directors' meeting by giving notice of the meeting to the Directors or by authorising the company secretary (if any) to give such notice

- 41 2 Notice of any Directors' meeting must indicate

41 2 1 its proposed date and time,

41 2 2 where it is to take place, and

41 2 3 if it is anticipated that Directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting

- 41 3 Notice of a Directors' meeting need not be in writing and must be given to each Director provided that, if a Director is absent (whether habitually or temporarily) from the United Kingdom, the Society has an address for sending or receiving documents or information by electronic means to or from that Director outside the United Kingdom

- 41 4 Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Society not more than seven days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it

42. Quorum for Directors' meetings

- 42 1 At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting

- 42 2 The quorum for Directors' meetings may be fixed from time to time by a decision of the Board and unless otherwise fixed it is three provided that

42 2 1 if and so long as there is only one Director the quorum shall be one, and

42 2 2 for the purposes of any meeting held pursuant to Article 49 to authorise a Director's conflict, if there is only one Director besides the Directors concerned and Directors with a similar interest, the quorum shall be one

- 42 3 If the total number of Directors for the time being is less than the quorum required, the Directors must not take any decision other than a decision (i) to appoint further directors, or (ii) to call a general meeting so as to enable the Members to appoint further directors

43. Chairing of Directors' meetings

- 43 1 The Directors may appoint a Director to chair their meetings

- 43 2 The person so appointed for the time being is known as the chairman

- 43 3 The Directors may terminate the chairman's appointment at any time
- 43 4 If no Director has been appointed chairman, or the chairman is unwilling to chair the meeting or is not participating in a Directors' meeting within ten minutes of the time at which it was to start, the participating Directors must appoint one of themselves to chair it

44. Casting vote

- 44 1 If the numbers of votes for and against a proposal are equal, the chairman or other Director chairing the meeting has a casting vote
- 44 2 But this does not apply if, in accordance with the Articles, the chairman or other Director is not to be counted as participating in the decision-making process for quorum or voting purposes

45. Participation in meetings by telephone

All or any of the members of the Board or of any committee of the Board may participate in a meeting of the Board or that committee by means of a conference telephone or any communication equipment that allows all persons participating in the meeting to hear and speak to each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting is and shall be deemed to be a meeting even if there is only one person physically present where it is deemed to take place

46. Written resolutions

- 46 1 A resolution in writing signed by

46 1 1 all the Directors entitled to receive notice of a meeting of the Board, if that number is sufficient to constitute a quorum; or

46 1 2 by all the members of a committee of the Board,

(but excluding any Director whose vote is not to be counted in respect of that particular matter) shall be as valid and effectual as if it had been passed at a meeting of the Board or that committee duly convened and held and may be contained in one document (or in several documents in all substantial respects in like form) each signed by one or more of the Directors or members of that committee. Any such document may be constituted by letter or (provided it is in writing) in electronic form or otherwise as the Board may from time to time approve.

47. Executive Directors

- 47 1 The Board or any committee authorised by the Board may from time to time appoint one or more of its body to hold any employment or executive office with the Society for such period (subject to the Statutes) and on such other terms as the Board or any committee authorised by the Board may decide and may revoke or terminate any appointment so made. Any revocation or termination of the appointment shall be without prejudice to any claim for damages that the Director may have against the Society or that the Society may have against the Director for any breach of any contract of service between him and the Society. A Director so appointed may be paid such remuneration (whether by way of salary, commission, participation in profits or otherwise) in such manner as the Board or any committee authorised by the Board may decide

- 47 2 The Board may from time to time appoint any person to any office or employment having a descriptive designation or title including the word "director" or attach to any existing office or employment with the Society such a designation or title and may at any time determine any such appointment or the use of any such designation or title. The inclusion of the word "director" in the designation or title of any such office or employment with the Society shall not

imply that the holder of the office is a Director of the Society nor shall such holder thereby be empowered in any respect to act as a Director of the Society or be deemed to be a Director for any of the purposes of the Statutes or these Articles.

DIRECTORS' INTERESTS

48. Transactions between a Director and the Society or a company in which the Society is interested

- 48 1 The Board may cause any voting power conferred by the shares in any other company held or owned by the Society or any power of appointment to be exercised in such manner in all respects as it thinks fit, including the exercise of either of such powers in favour of a resolution appointing the Directors, or any of them, to be Directors or officers of the other company, or in favour of the payment of remuneration to the Directors or officers of the other company
- 48 2 Any Director may himself or by his firm act 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 of the Society, provided that nothing in these Articles shall authorise a Director or his firm to act as Auditor to this Society
- 48 3 Except as otherwise provided by these Articles, a Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board or of a committee of the Board concerning any matter in which he has to his knowledge, directly or indirectly, an interest (other than his interest as a Member of, or otherwise in or through, the Society) or duty which (together with any interest of a person connected with him) is material and, if he shall do so, his vote shall not be counted. A Director shall be entitled to vote on and be counted in the quorum in respect of any resolution concerning any of the following matters
- 48 3 1 the giving to him of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of, the Society or any of its subsidiary undertakings,
- 48 3 2 the giving by the Society of any guarantee, security or indemnity to a third party in respect of a debt or obligation of the Society or any of its subsidiary undertakings 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,
- 48 3 3 his being a Member of the Society or any of its subsidiary undertakings as a holder of securities, or his being a policyholder of the Society, or intending to take a Policy with the Society,
- 48 3 4 any contract concerning any company (not being a company in which the Director owns one per cent or more (as defined in this Article)) in which he is interested, directly or indirectly, and whether as an officer, shareholder, creditor or otherwise,
- 48 3 5 any arrangement for the benefit of employees of the Society or any of its subsidiary undertakings under which he benefits in a similar manner as the employees and which does not accord to any Director as such any privilege or advantage not accorded to the employees to whom the arrangement relates,
- 48 3 6 any contract concerning any insurance which the Society is empowered to purchase or maintain for, or for the benefit of, any Directors or for persons who include Directors, or
- 48 3 7 any indemnity permitted by these Articles (whether in favour of the Director or others as well) against any costs, charges, expenses, losses and liabilities sustained or incurred by him as a Director or of any of its subsidiary undertakings, or any proposal

to provide funds to meet any expenditure incurred or to be incurred by him in defending himself in any criminal or civil proceeding in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the Society or any of its subsidiary undertakings, or any investigation, or action proposed to be taken, by a regulatory authority in that connection, or for the purposes of any application for relief under the Companies Act 2006, or in order to enable him to avoid incurring such expenditure

- 48 4 A Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board concerning his own appointment, or the settlement or variation of the terms or the termination of his own appointment, as the holder of any office or place of profit with the Society or any company in which the Society is interested but, where proposals are under consideration concerning the appointment, or the settlement or variation of the terms or the termination of the appointment, of two or more Directors to offices or places of profit with the Society or any company in which the Society is interested, a separate resolution may be put in relation to each Director and in that case each of the Directors concerned shall be entitled to vote on and be counted in the quorum in relation to each resolution which does not concern either (a) his own appointment or the settlement or variation of the terms or the termination of his own appointment, or (b) the appointment of another Director to an office or place of profit with a company in which the Society is interested and in which the Director seeking to vote or be counted in the quorum is interested by virtue of owning of one per cent or more (as defined in this Article)
- 48 5 A company shall be deemed to be a company in which a Director owns one per cent or more if and so long as he is directly or indirectly the holder of or beneficially interested in one per cent or more of any class of the equity share capital of such company or of the voting rights available to members of such company For this purpose, there shall be disregarded any shares held by a Director as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which the Director's interest is in reversion or remainder (if and so long as some other person is entitled to receive the income from such trust) and any shares comprised in an authorised unit trust scheme in which the Director is interested only as a unit holder
- 48 6 Where a company in which a Director owns one per cent or more is materially interested in a contract, he shall also be deemed to be materially interested in that contract
- 48 7 For the purposes of this Article, an interest of a person who is, for any purpose of the Statutes (excluding any statutory modification of it not in force when this Article becomes binding on the Society), connected with a Director shall be treated as an interest of the Director and, in relation to an alternate director, an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise
- 48 8 References in this Article to a contract include references to any proposed contract and to any transaction or arrangement whether or not constituting a contract
- 48 9 If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman) or as to the entitlement of any Director (other than the chairman) to vote or be counted in the quorum and the question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, the question shall be referred to the chairman and his ruling in relation to the Director concerned shall be conclusive except in a case where the nature or extent of his interest (so far as it is known to the Director) has not been fairly disclosed to the Board If any question shall arise in respect of the chairman, the question shall be decided by resolution of the Board (for which purpose the chairman shall be counted in the quorum but shall not vote on the matter) and the resolution shall be conclusive except in a case where the nature or extent of the interest of the chairman (so far as it is known to him) has not been fairly disclosed to the Board

- 48 10 Subject to the Statutes, the Society may by ordinary resolution suspend or relax the provisions of this Article to any extent or ratify any contract not properly authorised by reason of a contravention of this Article
- 49. Directors' conflicts of interest**
- 49 1 Subject to the provisions of the Companies Act 2006 and provided that he has disclosed to the Directors the nature and extent of any material interest of his, a Director may, notwithstanding his office or that, without the authorisation conferred by this Article 49 1, he would or might be in breach of his duty under the Companies Act 2006 to avoid conflicts of interest, be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any undertaking in the same group as the Society, or promoted by the Society or by any undertaking in the same group as the Society, or in which the Society or any undertaking in the same group as the Society is otherwise interested
- 49 2 No Director shall
- 49 2 1 by reason of his office, be accountable to the Society for any benefit which he derives from any office or employment, or from any transaction or arrangement, or from any interest in any undertaking, that is authorised under Article 49 1 (and no such benefit shall constitute a breach of the duty under the Companies Act 2006 not to accept benefits from third parties, and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit),
- 49 2 2 be in breach of his duties as a Director by reason only of his excluding himself from the receipt of information, or from participation in decision-making or discussion (whether at meetings of the Directors or otherwise), that will or may relate to any office, employment, transaction, arrangement or interest that is authorised under Article 49 1; or
- 49 2 3 be required to disclose to the Society, or use in relation to the Society's affairs, any confidential information obtained by him in connection with any office, employment, transaction, arrangement or interest that is authorised under Article 49 1 if his doing so would result in a breach of a duty or an obligation of confidence owed by him in that connection
- 49 3 A general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified and an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his
- 49 4 The Directors may, if the quorum and voting requirements set out below are satisfied, authorise any matter that would otherwise involve a Director breaching his duty under the Companies Act 2006 to avoid conflicts of interest, and any Director (including the Director concerned) may propose that the Director concerned be authorised in relation to any matter the subject of such a conflict provided that
- 49 4 1 such proposal and any authority given by the Directors shall be effected in the same way that any other matter may be proposed to and resolved upon by the Directors under the provisions of the Articles, except that the Director concerned and any other Director with a similar interest
- (a) shall not be counted for quorum purposes as participating in the decision-making process while the conflict is under consideration,

- (b) may, if the other Directors so decide, be excluded from participating in the decision-making process while the conflict is under consideration, and
- (c) shall not vote on any resolution authorising the conflict except that, if any such Director does vote, the resolution will still be valid if it would have been agreed to if his votes had not been counted, and

49 4 2 where the Directors give authority in relation to such a conflict

- (a) they may (whether at the time of giving the authority or at any time or times subsequently) impose such terms upon the Director concerned and any other Director with a similar interest as they may determine, including, without limitation, the exclusion of that Director and any other Director with a similar interest from the receipt of information, or participation in any decision-making or discussion (whether at meetings of the Directors or otherwise) related to the conflict,
- (b) the Director concerned and any other Director with a similar interest will be obliged to conduct himself in accordance with any terms imposed from time to time by the Directors in relation to the conflict but will not be in breach of his duties as a Director by reason of his doing so,
- (c) the authority may provide that, where the Director concerned and any other Director with a similar interest obtains information that is confidential to a third party, the Director will not be obliged to disclose that information to the Society, or to use the information in relation to the Society's affairs, where to do so would amount to a breach of that confidence,
- (d) the authority may also provide that the Director concerned or any other Director with a similar interest shall not be accountable to the Society for any benefit that he receives as a result of the conflict,
- (e) the receipt by the Director concerned or any other Director with a similar interest of any remuneration or benefit as a result of the conflict shall not constitute a breach of the duty under the Companies Act 2006 not to accept benefits from third parties,
- (f) the terms of the authority shall be recorded in writing (but the authority shall be effective whether or not the terms are so recorded), and
- (g) the Directors may withdraw such authority at any time

49 5 Subject to Article 49 6, if a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman, whose ruling in relation to any Director other than the chairman is to be final and conclusive

49 6 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the Directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes

50. Records of decisions to be kept

The Directors must ensure that the Society keeps a record, in hard copy form, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the Board

51. Directors' discretion to make further rules

Subject to the Articles, the Board may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to Directors

APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS

52. Number and methods of appointing Directors

52 1 Unless otherwise determined by ordinary resolution of the Society, the number of Directors (disregarding alternate directors) shall not be less than four nor more than ten. A Director need not be a Member

52 2 Any person who is willing to act as a Director and is permitted by law to do so, may be appointed to be a Director (i) by ordinary resolution, or (ii) by a decision of the Board

52 3 Any Director appointed by the Board shall hold office only until the conclusion of the next following annual general meeting and, if not reappointed at that meeting, shall vacate office at the conclusion of the meeting. He shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at the meeting

53. Number to retire by rotation

53 1 Any Director not otherwise required to retire from office at an annual general meeting shall do so unless he was appointed or re-appointed as a Director at either of the last two annual general meetings before that meeting

53 2 At every annual general meeting one-third of the Directors (not counting any to be omitted in accordance with these Articles) shall retire from office, having been determined (both as to number and identity) by the composition of the Board at start of business on the date of the notice convening the annual general meeting. If the number of Directors from which the determination is to be made is not three or a multiple of three, the number to retire shall be that which is nearest to but not greater than one-third (unless their number is fewer than three, in which case one of them shall retire). Those to retire shall comprise first, any Director who wishes to retire and not to offer himself for re-election, and secondly, those who have been longest in office since their last appointment or reappointment (but as between persons who became or were last reappointed Directors on the same day, those to retire shall be determined by lot or as the Directors concerned may agree among themselves). No Director shall be required to retire or be relieved from retiring by reason of any change in the number or identity of the Directors after that time on the date of the notice but before the close of the meeting

54. Position of Retiring Director

Subject to these Articles, the Society at the meeting at which a Director retires may fill the vacated office and, in default, the retiring Director shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the reappointment of the Director is put to the meeting and lost. If he is not reappointed or deemed to be reappointed, he shall retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting

55. Termination of Director's appointment

55 1 A person ceases to be a Director as soon as

55 1 1 that person ceases to be a Director by virtue of any provision of the Companies Act 2006 or is prohibited from being a Director by law,

55 1 2 a bankruptcy order is made against that person,

- 55 1 3 a composition is made with that person's creditors generally in satisfaction of that person's debts,
- 55 1 4 he becomes, in the opinion of all his co-directors, physically or mentally incapable of discharging his duties as a Director,
- 55 1 5 notification is received by the Society from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms,
- 55 1 6 he is otherwise duly removed from office, or
- 55 1 7 without the permission of the Board, he is absent from meetings of the Board for six consecutive months (whether or not an alternate appointed by him attends) and the Board resolves that his office is vacated

56. Directors' remuneration

- 56 1 Directors may undertake any services for the Society that the Board decide
- 56 2 Directors are entitled to such remuneration as the Board determine (i) for their services to the Society as Directors, and (ii) for any other service which they undertake for the Society
- 56 3 Subject to the Articles, a Director's remuneration may (i) take any form, and (ii) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that Director, and in each case shall be paid out of the funds of the Society
- 56 4 Unless the Board decide otherwise, Directors' remuneration accrues from day to day

57. Directors' expenses

The Society may pay any reasonable expenses which the Directors (and any alternate directors or company secretary) properly incur in connection with their attendance at (i) meetings of Directors or committees of Directors, or (ii) general meetings, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Society

ALTERNATE DIRECTORS

58. Appointment and removal of alternate directors

- 58 1 Any Director may appoint as an alternate any other Director, or any other person, to (i) exercise that Director's powers, and (ii) carry out that Director's responsibilities, in relation to the taking of decisions by the Directors, in the absence of the alternate's appointor
- 58 2 Any appointment or removal of an alternate must identify the proposed alternate and be effected by notice in writing to the Society signed by his appointor, or in any other manner approved by the Directors

59. Rights and responsibilities of alternate directors

- 59 1 An alternate director may act as alternate director to more than one Director and has the same rights in relation to any decision of the Directors as the alternate's appointor
- 59 2 Except as the Articles specify otherwise, alternate directors
 - 59 2 1 are deemed for all purposes to be Directors,
 - 59 2 2 are liable for their own acts and omissions,

59 2 3 are subject to the same restrictions as their appointors, and

59 2 4 are not deemed to be agents of or for their appointors,

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a Member

59 3 A person who is an alternate director but not a Director

59 3 1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating),

59 3 2 may participate in a unanimous decision of the Directors (but only if his appointor is an eligible Director in relation to that decision, but does not participate), and

59 3 3 shall not be counted as more than one Director for the purposes of Articles 59 3.1 and 59 3 2

59 4 A Director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the Directors (provided that his appointor is an eligible director in relation to that decision), but shall not count as more than one Director for the purposes of determining whether a quorum is present

59 5 An alternate director is not entitled to receive any remuneration from the Society for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the Society

60. Termination of alternate directorship

An alternate director's appointment as an alternate terminates

60 1 1 when the alternate's appointor revokes the appointment by notice to the Society in writing specifying when it is to terminate,

60 1 2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a Director,

60 1 3 on the death of the alternate's appointor,

60 1 4 when the alternate's appointor's appointment as a Director terminates, or

60 1 5 when the alternate is removed in accordance with these Articles

PART 5 ADMINISTRATIVE ARRANGEMENTS

61. Form of communications

61 1 Except to the extent that these Articles provide otherwise, and subject to compliance with the Statutes, anything sent or supplied by or to any person, including the Society, under these Articles may be sent or supplied, whether or not because the Statutes require it to be sent or supplied, in any way (including, except in the case of anything supplied to the Society, by making it available on a website) in which documents or information required to be sent or

supplied may be sent or supplied by or to that person in accordance with the Companies Act 2006

- 61 2 Except insofar as the Statutes require otherwise, the Society shall not be obliged to accept any notice, document or other information sent or supplied to the Society in electronic form unless it satisfies such stipulations, conditions or restrictions (including for the purpose of authentication) as the Board thinks fit, and the Society shall be entitled to require any such notice, document or information to be sent or supplied in hard copy form instead
- 61 3 Any notice, document or other communication (including copies of accounts or summary financial statements) to be given to or by any person pursuant to these Articles (other than a notice calling a meeting of directors) shall be in writing except that, if it is in electronic form, it need not be in writing unless these Articles specifically require it to be
- 61 4 Subject to the Statutes, the Board may from time to time issue, endorse or adopt terms and conditions relating to the use of electronic means under these Articles
- 61 5 Nothing in these Articles shall prevent the Society from sending or supplying any notice, document or information in hard copy form instead of in electronic form on any occasion

62. Communication with overseas members

A Member whose registered address is not within the United Kingdom and who notifies the Society of an address within the United Kingdom at which documents or information may be supplied to him shall be entitled to have such things supplied to him at that address, but otherwise no such Member shall be entitled to receive any document or information from the Society. Such address may, at the Board's discretion, be an electronic address but the Board may at any time without prior notice (and whether or not the Society has previously sent or supplied any documents or information in electronic form to that electronic address) refuse to send or supply any documents or information to that electronic address if it believes that its refusal is necessary or expedient in relation to any legal or practical problems under the laws of, or the requirements of any regulatory body or stock exchange or other authority in, any territory, or that for any other reason it should not send or supply any documents or information to that electronic address

63. Communication with joint Members

In the case of joint Members, all notices, documents or other information shall be given to the joint Member whose name stands first in the Register in respect of the joint membership and shall be deemed to have been given to all the joint Members. Any agreement by that Member that notices, documents and other information may be sent or supplied in electronic form or by being made available on a website shall be binding on all the joint Members

64. When information sent by the Society deemed to have been received

- 64 1 Any document or information sent or supplied by the Society shall be deemed to have been received by the intended recipient
- 64 1 1 where the document or information is properly addressed and sent by first class post or other delivery service to an address in the United Kingdom, on the day (whether or not it is a working day) following the day (whether or not it is a working day) on which it was put in the post or given to the delivery agent and, in proving that it was duly sent, it shall be sufficient to prove that the document or information was properly addressed, prepaid and put in the post or duly given to the delivery agent
- 64 1 2 where (without prejudice to Article 63) the document or information is properly addressed and sent by post or other delivery service to an address outside the United

Kingdom, five working days after it was put in the post or given to the delivery agent and, in proving that it was duly sent, it shall be sufficient to prove that the document or information was properly addressed, prepaid and put in the post or duly given to the delivery agent,

- 64 1 3 where the document or information is not sent by post or other delivery service but delivered personally or left at the intended recipient's address, on the day (whether or not a working day) and time that it was sent,
- 64 1 4 where the document or information is properly addressed and sent or supplied by electronic means, on the day (whether or not a working day) and time that it was sent and proof that it was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that it was sent, and
- 64 1 5 where the document or information is sent or supplied by means of a website, when the material was first made available on the website or (if later) when the intended recipient received (or is deemed to have received) notice of the fact that the material was available on the website

65. Loss of entitlement to receive communications

If on two consecutive occasions notices, documents or information have been sent to any Member at the registered address or his address (including an electronic address) for the service of notices but, through no fault of the Society, have been undelivered, such Member shall not from then on be entitled to receive notices, documents or other information from the Society until he has notified to the Society in writing a new address within the United Kingdom to be either his registered address or his address (including an electronic address) for the service of notices

66. Notice when post not available

- 66 1 If at any time postal services within the United Kingdom are suspended or curtailed so that the Society is unable effectively to convene a general meeting or a meeting of any class of Members by notice sent through the post, any such meeting may be convened by a notice advertised in at least one newspaper with a national circulation and in that event the notice shall be deemed to have been served on all Members who are entitled to have notice of the meeting served upon them, on the day when the advertisement has appeared in at least one such paper. If at least six clear days prior to the meeting the giving of notices by post to addresses throughout the United Kingdom has, in the Board's opinion, become practicable, the Society shall send confirmatory copies of the notice by post or such other manner as is permitted under these Articles to the persons entitled to receive them
- 66 2 At any time that postal services within the United Kingdom are suspended or curtailed, any other notice or information considered by the Board to be capable of being supplied by advertisement shall, if advertised in at least one such newspaper, be deemed to have been notified to all Members to whom it would otherwise have been supplied in hard copy form

67. Society seals

Any common seal may only be used by the authority of the Board or of a committee authorised by the Board in that behalf and, unless otherwise decided by the Board or any such committee, any document to which the common seal is applied must also be signed by at least one authorised person in the presence of a witness who attests the signature. For the purposes of this Article, an authorised person is any Director, the company secretary (if any), or any person authorised by the Board for the purpose of signing documents to which the common seal is applied

68. No right to inspect accounts and other records

- 68 1 Except as provided by law or authorised by the Board or an ordinary resolution of the Society, no person is entitled to inspect any of the Society's accounting or other records or documents merely by virtue of being a Member
- 68 2 The Directors shall in respect of each financial year in accordance with the Statutes cause to be prepared and to be laid before the Society in a general meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are required by the Statutes. Such annual accounts shall also detail the remuneration of each of the Directors paid out of the funds of the Society

69. Secretary

Subject to the Companies Act 2006, the Board may appoint a company secretary (or two or more persons as joint secretary) for such term, at such remuneration and upon such conditions as the Board may think fit; and any company secretary (or joint secretary) so appointed may be removed by the Board. The Directors may also from time to time appoint on such terms as they think fit, and remove, one or more assistant or deputy secretaries

DIRECTORS' INDEMNITY AND INSURANCE

70. Indemnity

- 70.1 Subject to Article 70 2 (but without prejudice to any indemnity which a relevant officer is otherwise entitled)

70 1 1 a relevant officer may be indemnified out of the Society's assets to whatever extent the Board may determine against

- (a) any liability incurred by that officer in connection with any negligence, default, breach of duty or breach of trust in relation to the Society or any undertaking in the same group as the Society,
- (b) any liability incurred by that officer in connection with the activities of the Society or a group undertaking in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),
- (c) any other liability incurred by that officer as an officer of the Society or any undertaking in the same group as the Society, and

70 1 2 the Society may, to whatever extent the Board may determine, provide funds to meet expenditure incurred or to be incurred by a relevant officer in defending any criminal or civil proceedings in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the Society or any undertaking in the same group as the Society, or any investigation, or action proposed to be taken, by a regulatory authority in that connection, or for the purposes of an application for relief, or in order to enable the relevant officer to avoid incurring such expenditure

- 70 2 This Article does not authorise any indemnity that would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law

71. Insurance

- 71.1 The Directors may decide to purchase and maintain insurance, at the expense of the Society, for the benefit of any relevant officer in respect of any relevant loss

- 71 2 In this Article, a “**relevant loss**” means any loss or liability which has been or may be incurred by a relevant officer in connection with that officer’s duties or powers in relation to the Society, any undertaking in the same group as the Society or any pension fund or employees’ share scheme of the Society or any undertaking in the same group as the Society

DISSOLUTION OF THE SOCIETY

72. Dissolution

If upon the winding up or dissolution of the Society there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the whole of the divisible surplus of profits whenever determined shall be apportioned and applied for the benefit of the Society’s Members or such of them as are entitled in accordance with the terms of the Policies or any instructions governing the constitution of the Society to participate in the profits of the Society