

*All previous rules rescinded
1 July 2009*

RULES
OF THE
BUS EMPLOYEES' FRIENDLY SOCIETY

1st July 2009

Registered Office:

2nd Floor
Devonshire House
31 Holmesdale Road
Reigate
Surrey
RH2 0BJ

Registered under the Friendly Societies Act 1992

Register No 1132F

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CONSTITUTION**1. Name**

The Society is a registered friendly society. It is called "Bus Employees' Friendly Society", hereinafter referred to as "the Society".

2. Registered Office

- (1) The address of the registered office shall be 2nd Floor, Devonshire House, 31 Holmesdale Road, Reigate, Surrey RH2 0BJ or at such other place as the Committee may from time to time decide.

3. Purposes

- (1) The purposes of the Society shall be the carrying on of the following classes of business or other activity. Any business or activity referred to below:-

- (i) is to be carried on by the Society with a view to the provision, for its members and such persons connected with its members as may be prescribed in the Rules; and
- (ii) is to be funded by voluntary subscriptions from members of the Society, with or without donations.

A. Long term business of one or more of the following Classes :-

Number	Description	Nature of business
I	Life and annuity	Effecting and carrying out contracts of insurance on human life or contracts to pay annuities on human life but excluding (in each case) contracts within Class III of Schedule 2 of the Act.
IV	Permanent health	<p>Effecting and carrying out contracts of insurance providing specified benefits against risks of persons becoming incapacitated in consequence of sustaining injury as a result of an accident or of an accident of a specified class or of sickness or infirmity, being contracts that :-</p> <ul style="list-style-type: none"> (a) are expressed to be in effect for a period of not less than five years, or until the normal retirement age for the persons concerned, or without limit of time, and (b) either are not expressed to be terminable by the insurer, or are expressed to be so terminable only in special circumstances mentioned in the contract.

- (2) In addition to the purposes in paragraph (1) above, the purposes of the Society may include the carrying on of social or benevolent activities which are not inconsistent with the other purposes of the Society.

RULES

Interpretation

In these rules, unless the contrary intention appears:

- (1) words denoting the masculine gender shall be deemed to include the feminine;
- (2) words in the singular shall include the plural and words in the plural shall include the singular;
- (3) "The 1974 Act" means the Friendly Societies Act 1974.
- (4) "the Act" means the Friendly Societies Act 1992, and any Acts amending or substituted for it and for the time being in force;
- (5) "the Financial Services and Markets Act" means the Financial Services and Markets Act 2000, and any Acts amending or substituted for it and for the time being in force;
- (6) "Financial Services Authority" means the Financial Services Authority of the United Kingdom;
- (7) (i) "appropriate actuary" has the meaning given by s.119 of the Act and shall include an Actuarial Function Holder and With-Profits Actuary;
 (ii) "Actuarial Function Holder" and "With-Profits Actuary" have the meaning in the Rules and Guidance Notes issued by the Financial Services Authority;
 (iii) "Rules and Guidance Notes issued by the Financial Services Authority" shall include any that are issued by a successor body to the Financial Services Authority defined in sub clause (6) above;
- (8) "the Central Office" means the Central Office of the Registry of Friendly Societies except in relation to Scotland where it means the Assistant Registrar of Friendly Societies for Scotland.
- (9) "the Commission" means the Friendly Societies Commission.
- (10) "The Registrar" means the Central Office of the Registry of Friendly Societies.
- (11) "special resolution" has the meaning given by paragraph 7 of schedule 12 to the Act;
- (12) "Eligible Employment" means employment by the Society or any company or firm which has been approved for these purposes by the Committee of Management. The Committee shall only approve employers which provide or are associated with the provision of passenger transport facilities;
- (13) "Treasury Regulations" shall mean regulations made by the Treasury which are applicable to registered Friendly Societies.
- (14) "Trustees" shall mean the Trustees of the Society as appointed in the manner provided by Rule 19.
- (15) "The Committee" means the Committee of Management.
- (16) "Officer" means a Member of the Committee of Management, Chief Executive or Secretary.

- (17) Except where stated otherwise the term “Secretary” shall mean the Chief Executive and Secretary where both posts are held by the same person.
- (18) The term “Members of the Committee” shall mean the persons constituting the Committee as defined in Rule 12.
- (19) The term “member” shall mean a member admitted to the Sick Fund or Provident Fund under these Rules.
- (20) The term “premature retirement” shall mean retirement where the service of the Member are no longer required by their employer other than on retirement on the grounds of age or ill health or discharge on disciplinary grounds or unsatisfactory performance of duties.
- (21) except in paragraph (22) below, “partner” means a person who has been cohabiting with a member for a minimum of two years.
- (22) the “spouse” of a member means the member’s wife, husband, or civil partner under the Civil Partnership Act.
- (23) “marriage” shall mean marriage or registration of a civil partnership in accordance with the Civil Partnership Act.
- (24) “Civil Partnership Act” means the Civil Partnership Act 2004 and any Acts amending or substituted for it and for the time being in force.
- (25) the “Associate” of a member means the member’s partner, spouse or any child over the age of 16.

4. Membership

A. MEMBERSHIP OF THE SICK FUND

Membership of the Sick Fund shall consist of employees in eligible employment and Associates of members who have been admitted to the Society.

B. MEMBERSHIP OF THE PROVIDENT FUND

- (1) The following shall be entitled to apply for membership of the Provident Fund :-
 - (a) Members of the Sick Fund.
 - (b) Other employees in eligible employment who have been admitted to membership of the Provident Fund.
 - (c) Associates of members of the Sick Fund or Provident Fund who are already members of the Sick Fund.
- (2) Members of the Provident Fund shall be entitled to remain members thereof while they are employees in eligible employment or Associates of members provided such membership is continuous, even if they are no longer members of the Sick Fund.

C. MEMBERSHIP – GENERAL

- (1) Both male and female employees in eligible employment and Associates of members of the Sick Fund or Provident Fund, under the age of 55 are eligible to become members.
- (2) Any person seeking membership of the Society shall complete and sign the appropriate application form in accordance with the requirements of the Committee. The application form shall then be forwarded to the Secretary. Before admitting an applicant as a member, the Committee may require such evidence of the member's and the member's spouse's health as they consider necessary. They may also require sight of the applicant's birth certificate. The decision of the Committee on any application for membership shall be final.
- (3) The date of the member's admission to the Society shall be the first day of the pay week in respect of which his first weekly contribution is made to the appropriate fund.
- (4) A member who is a minor may, if he is over 16 years of age, by himself, or if he is under that age, by his parent or guardian, execute all instruments and give all receipts necessary to be executed or given under the Rules of the Society, but shall not vote or hold any office in the Society, and may not nominate or join in nominating, a person for election as a member of the Committee, or as Secretary of the Society.
- (5) On admission to the Society each new member may be provided with a copy of the Rules without charge.
- (6) If a member of both the Sick and Provident Funds wishes to withdraw from one or the other of these funds he may do so by notifying the Secretary in writing. Such member shall be entitled to a withdrawal benefit as set out in the appropriate Table but shall not be permitted to rejoin the fund from which he has withdrawn during his current period of eligible employment.
- (7) In any case where a member is retired, dismissed, discharged or dies or, for any other reason, ceases to be an employee in eligible employment, he shall cease to be a member of the Society.

5. Register of Names and Addresses

- (1) The Society shall maintain a register of the names and addresses of the members of the Society.
- (2) The register shall be kept at the Registered Office of the Society or at such other place or places as the Committee thinks fit.
- (3) Where it appears to a Society that the address shown in the register for a member is no longer current, the Society:-
 - (a) may remove that address from the register; and
 - (b) need not enter in the register an address for that member while it has no address for him and his whereabouts are unknown.

6. Contributions

Every member of the Society shall pay weekly contributions as detailed in the Tables appended to these rules, and such contributions shall be dealt with in accordance with Rule 36.

7. Benefits

Every member of the Society shall receive benefits as detailed in the Tables appended to these rules.

8. Funds

The Society shall have the following separate funds:-

- (a) Sick Fund
- (b) Provident Fund
- (c) Management Fund

9. Disqualifications and forfeitures of membership

- (1) If in the opinion of the Committee any member attempts to obtain benefits from the Society by feigning illness or incapacity, or continues to receive benefit after the restoration of health or is in any way a party to any attempt to defraud the Society or contravenes these Rules, he shall forfeit such benefits as the Committee may decide and the Committee may expel such member from the Society. Such member shall, upon expulsion, forfeit any claim on the Society either to benefits or to the return of any portion of his contributions.
- (2) If any member assists in or fails to report any case of a wrongful claim upon the Society, he may be expelled from the Society by the Committee.

10. Nominations

- (1) A member not under the age of 16 years may nominate a person or persons to whom any sum of money payable by the Society on his death, or any specified amount of money so payable, shall be paid at his decease, but the total amount which may be so nominated shall not exceed £5,000 or such higher amount as, by virtue of an order under section 6 of the Administration of Estates (Small Payments) Act 1965, may for the time being apply for the purposes of the enactments specified in subsection (1) of that section.
- (2) All such nominations shall be made by writing, under the hand of the member, delivered at or sent to the registered office of the Society.
- (3) The person or persons so nominated must not at the date of the nomination be an Officer or employee of the Society unless that Officer or employee is the spouse, partner, father, mother, child, brother, sister, nephew or niece of the nominator.

- (4) A nomination so made may be revoked or varied by any similar document, under the hand of the nominator, delivered, sent or made as aforesaid, but a nomination is not revoked by a subsequent will.
- (5) The marriage of a member shall operate as a revocation of any nomination previously made by him.
- (6) The Secretary shall keep a record of every such nominations, revocations or variation.

11. Death of a member intestate and without nominations

If a member shall die leaving no person entitled to take the death benefit under a nomination or testamentary disposition, and without leaving any person of any relationships specified in paragraphs (i) to (v) of Subsection I of Section 46 of the Administration of Estates Act, 1925, then the Committee may apply any sum in their hands representing the death benefit in or toward the payment of the funeral expenses of the deceased member, and any surplus shall be dealt with as part of the funds of the Society.

12. Committee of Management

- (1) The business of the Society and any business that the Society proposes to carry on shall be under the direction of a Committee of Management (hereinafter referred to as the "Committee") consisting of not more than 16 nor (subject to the provision of Rule 22(6)) fewer than 4 members and the Committee may from time to time resolve the number who together shall constitute the Committee within these limitations.
- (2) Subject to the provisions of the Act, the memorandum and these Rules and to any directions given by special resolution, the business of the Society shall be managed by the Committee who may exercise all powers of the Society.
- (3) No amendment of the Rules and no direction as specified in (2) above shall invalidate any prior act of the Committee which would have been valid if that amendment had not been made or that direction had not been given.

- (4) Without prejudice to the generality of the foregoing paragraphs (1), (2) and (3), the Committee:-
 - (a) shall ensure the direction and management of all affairs and business of the Society;
 - (i) by a sufficient number of persons fit and proper to be Committee Members or other Officers, in their respective positions;
 - (ii) with prudence and integrity;
 - (iii) in the best interests of the members and in accordance with best practice; and
 - (iv) in accordance with the Rules, and with the Act;
 - (b) shall supervise the activities of any branch of the Society;
 - (c) may make, vary or revoke regulations for the conduct of business at its meetings, including, but not limited to;
 - (i) voting rights, including casting votes;
 - (ii) special meetings, and
 - (iii) minutes of meetings;
 - (d) may pay out of the funds of the Society the expenses of the Society and such sums as the Committee may deem necessary or expedient to be paid in the interests of the Society, but no Committee Member (other than a holder of any executive office) shall receive any payment save as is authorised by these Rules;
 - (e) may make, vary or revoke regulations for the conduct of all affairs and business of the Society, provided that the same are not inconsistent with these Rules, and with the Act;
 - (f) may authorise the use of all forms, instruments and other documents that it may deem necessary for the proper conduct of the business of the Society.
- (5) Meetings of the Committee shall take place twice yearly or at such intervals as it may, from time to time, determine at such places as may be agreed upon.
- (6) At all meetings of the Committee, half the total number of members of the Committee of Management as constituted (excluding the Secretary and the Treasurer) shall form a quorum and shall have full power to superintend and conduct the business of the Society according to the Rules thereof, and shall in all things act for and in the name of the Society. Every question shall be decided by a majority of votes, and if the votes are equal, the Chairman of the meeting shall have a casting vote in addition to his own vote as a member.

- (7) The Secretary may on his own responsibility in case of emergency at any time call a special meeting of the Committee by giving at least seven days' notice and signifying the reason and object of such meeting. At such meeting, no other business shall be transacted than that which is specified in the notice calling the meeting.
- (8) The validity of any proceedings or acts of the Committee shall not be affected by any vacancy among the Members or by any defect in the appointment of a Member.

13. Eligibility and election of the Committee of Management

- (1) No individual shall be elected or appointed as a Committee Member unless
 - either
 - (a) he will be less than 70 years of age at the date on which the election, or in the case of an appointment under Rule 22, the appointment, would take effect;
 - or
 - (b) if he will be more than 70 years of age at the date on which the election would take effect, he has been approved by resolution of the Committee as eligible for election, and his age and the reasons for the Committee's approval of his eligibility have been notified to every person entitled to vote at the election;
 - and
 - (c) he is not a minor;
 - and
 - (d) (except in the case of appointment under Rule 22 or nomination under paragraph (4) below, or where a Committee Member retires under Rule 23), a form nominating him, signed by not less than 6 members who comply with the requirements of paragraph (3) below and addressed to the Secretary, has been delivered at the Registered Office during the hours of public business of the Society between the first and fifteenth days of the last month of the financial year preceding the Annual General Meeting at which the vacancy in respect of which he is nominated is to be filled. The nomination form shall contain the full name, address, age and occupation of the person nominated, his consent to be so nominated, and the full names and addresses of the members proposing his nomination. The nomination form shall be dated with the date of its delivery at the Registered Office and that date shall be deemed to be the date of nomination for the purposes of paragraph (3) below.

- (2) In exercise of its duties pursuant to Rule 12(4)(a) the Committee may require any individual nominated for election as a Committee Member to supply in writing such forms as the Committee may specify, evidence as to his qualifications, financial and managerial experience, creditworthiness, competence and character and to complete in draft any form or questionnaire that, if elected, he would be required to submit to any regulatory authority in accordance with the Act.
- (3) The requirements with which a member must comply in order to be eligible to nominate an individual as a Committee Member are as follows :-
 - (a) he must have been a member for not less than 2 years before the date of nomination; and
 - (b) he must not be in arrears with his contributions; and
 - (c) he must not be a minor at that date.
- (4) If a vacancy arises on the Committee after the last day of the financial year and before the conclusion of the Annual General Meeting held in the succeeding financial year by reason of the death or disqualification of any retiring Committee Member who was seeking re-election the Committee may without giving notice under Rule 27 nominate at the Annual General Meeting some other member who is at the date of that meeting:-
 - (i) less than 70 years of age, and
 - (ii) not a minor,to take the place of such retiring Committee Member as a candidate for election and such Member shall be deemed to be a retiring Committee Member, or reduce the number of vacancies to be filled at the Annual General Meeting by one in respect of each such event and any remaining vacancy on the Committee shall be and become a vacancy which the Committee has power to fill under Rule 22.
- (5) Where a person becomes or ceases to be a Member of the Committee, the Society shall within one month give notice of that fact to the Central Office. The notice shall state the person's full name and address and the date on which he became, or ceased to be a Member of the Committee and, in the case of a person becoming a Member, the date of his birth.

14. Appointment of Chairman and Vice-Chairman

- (1) At its first meeting after every Annual General Meeting the Committee shall elect from its number a Chairman and a Vice-Chairman who shall subject to paragraph (3) below, hold office until the commencement of the first meeting of the Committee held after the next Annual General Meeting unless he either shall cease in the meantime to be a Committee Member or shall resign the office. The Chairman shall preside at all meetings of the Committee at which he is present and in the absence of the Chairman the Vice-Chairman shall take his place.

- (2) If the Chairman and the Vice-Chairman so elected shall both be absent from a meeting of the Committee or shall both decline to act as Chairman, the Committee Members present at that meeting shall elect a Committee Member to be Chairman for the purposes of that meeting.
- (3) The Committee may at any time remove the Chairman or the Vice-Chairman from office.
- (4) The Committee shall fill from its number any casual vacancy (whether or not arising from the exercise of its power under paragraph (3) above) in the office of Chairman or Vice-Chairman so elected shall, subject to paragraph (3) above, hold office until the commencement of the first meeting of the Committee held after the next Annual General Meeting unless he shall cease in the meantime to be a Committee Member or shall resign the office.

15. Remuneration and expenses of Officers

- (1) The annual remuneration of the Officers as Members of the Committee (exclusive of any remuneration paid in respect of executive duties) shall be paid at a rate to be determined by the Committee from time to time.
- (2) In addition to such remuneration, any Officer may be paid such reasonable travelling, hotel and other expenses as he might incur while attending Society business with the approval of the Committee. He may also, by resolution of the Committee, be paid for professional or other work done by him on behalf of the Society in addition to his usual services as an Officer.

16. Validity of acts

All acts done by the Committee, or any sub-Committee, or any person acting as a Committee Member shall, notwithstanding that it be afterwards discovered that there was some defect in the constitution of the Committee or sub-Committee or in the election or re-election or appointment of any Committee Member or sub-Committee Member or person acting as aforesaid, or that any person was disqualified from holding office or was not entitled to vote, be as valid as if the Committee or sub-Committee had been properly constituted and as if every such person had been duly elected or re-elected or appointed or entitled to vote and, where appropriate, was qualified and has been a Committee Member.

17. Offices of Profit

- (1) A Committee Member may hold any office or place of profit with the Society (other than the office of auditor or valuer) simultaneously with his office of Committee Member and may be appointed by the Committee to an office or place of profit with any body corporate in which the Society is, or will be, interested.
- (2) A Committee Member so appointed to an office or place of profit with a body corporate in accordance with paragraph (1) above shall disclose to the Committee any benefit he derives from any such office or place in the financial year in which it is received.

- (3) A Committee Member, notwithstanding his interest, may be counted in the quorum present at any meeting at which he or any other Committee Member is appointed to hold any office or place of profit with the Society or with any body corporate in which the Society is, or will be, interested or at which the terms of any such appointment are arranged. He may vote on any such appointment or arrangement other than his own appointment or the arrangement of the terms of that appointment.

18. Interest in Contracts

- (1) Subject to a Committee Member's complying with the provisions for the time being of the Act that:-
 - (a) require him to declare to the Committee any direct or indirect interest he might have, or be treated as having in any contract to which the Society is a party;
 - (b) prohibit particular contracts;
 - (c) require a contract to be approved by a resolution of a general meeting; or
 - (d) require him to furnish to the Society particulars of any related business,

he may enter into or be interested, whether directly or indirectly, in contracts with the Society and shall not be disqualified from office thereby, nor shall he be liable to account to the Society for any profit arising out of any such contract to which he is a party or in which he is interested by reason of his being at the same time a Committee Member.
- (2) No Committee Member may vote as a Committee Member in regard to any contract, or proposal therefor, in which he is interested, whether directly or indirectly, or upon any matter arising out of it. If he shall so vote, his vote shall not be counted nor shall he be reckoned in estimating a quorum when any such contract, or proposal therefor, is under consideration.
- (3) Notwithstanding anything contained in this Rule, the prohibition contained in the foregoing paragraph (2) may at any time or times be suspended or relaxed to any extent by resolution at a general meeting of the Society.
- (4) In this Rule the term "contract" includes any transaction or arrangement.

19. Appointment of Officers, employees and others

- (1) The Society must have a Chief Executive and Secretary, who may be the same person, who shall be appointed and whose appointments may be terminated by the Committee. The Chief Executive may not hold the position of Chairman.
- (2) The Chief Executive and Secretary must be members of the Society and shall continue in office until they die or resign or until their employment in that capacity is terminated by the Committee.
- (3) The Chief Executive is responsible under the immediate authority of the Committee for the conduct of the business of the Society.

- (4) The Committee shall take all reasonable steps to secure that the person appointed as Chief Executive has the requisite knowledge and experience to discharge the functions of his office.
- (5) The Secretary shall attend all meetings of the Society of the Committee and of the Trustees. He shall record correctly the names of the Officers (including Members of the Committee), and others present, and the minutes of proceedings, which shall be authenticated by the signature of the Chairman of the next meeting as a true record of the proceedings of the meeting.
- (6) The Secretary shall admit applicants into the Society in accordance with these Rules.
- (7) The Secretary shall produce all books, documents, property and money of the Society in his possession, and render a full and clear account of each audit and whenever required by resolution of the Society or of the Committee or the Trustees. He shall also pay over all money and give up all books, documents and property belonging to the Society, when ordered to do so by a resolution thereof or by the Committee or by the Trustees.
- (8) The Secretary shall summon and give due notice of all meetings of the Society and of the Committee and keep the documents and papers of the Society in such a manner and for such purposes as the Committee may decide.
- (9) The Secretary shall on all occasions in the execution of his office, act under the superintendence, control and direction of the Committee.
- (10) Where a person becomes or ceases to be the Chief Executive or Secretary, the Society shall within one month give notice of that fact to the Central Office, stating the person's full name and address and the date on which he became, or ceased to be, Chief Executive or Secretary.
- (11) The Committee may also :-
 - (a) appoint and terminate the appointment of such employees, advisers and agents as the Committee may at any time determine;
 - (b) appoint under this Rule more than one person to any office or place with the exception of the offices of Chief Executive and Secretaryand may require from any person appointed under this Rule such guarantees as in its judgement shall appear necessary.
- (12) The powers and duties of persons appointed under this Rule shall be those given them from time to time by the Committee which may pay them such salaries, wages, commissions and bonuses, compensation for loss of office or of employment, fees and other remuneration as it may consider desirable.

- (13) The Society shall have 2 Trustees, either or both of whom may be co-opted to the Committee of Management at the discretion of the Committee. The Trustees shall be appointed at an Annual General Meeting of the Society by resolution of the members then present, and shall continue in office until they resign, or die, or are removed from office, or are adjudicated bankrupt. In such event another Trustee shall be elected by a resolution of a majority of the members present and entitled to vote at an Annual or Special General Meeting. Every resolution appointing a Trustee shall be entered on the minutes of the meeting at which he is appointed and the Society shall notify the Registrar of the appointment of any Trustee in the manner required by section 24 of the 1974 Act.
- (14) The same person may not be Secretary or Treasurer and also a Trustee of the Society.
- (15) In the event of any Trustee dying, resigning or being removed from office, another Trustee shall be appointed in accordance with this Rule.
- (16) The Committee may appoint one or more local stewards who shall receive reimbursement for out of pocket expenses. Such payments shall be made out of the Management Fund.

20. Indemnity to Committee Members, Officers and employees

- (1). Every Committee Member, and every other Officer and every employee of the Society shall be indemnified by the Society against any liability in respect of losses, costs, charges, damages and expenses which might arise from, or in the course of, his duties, but not against any such liability as, by virtue of any rule of law or of the Act, would attach to him in respect of any negligence, default, breach of duty or breach of trust of which he might be guilty in relation to the Society. He shall, however, be indemnified against any liability incurred by him in defending any proceedings whatsoever, whether civil or criminal, arising out of his duties in relation to the Society in which judgement is given in his favour or in which he is acquitted.
- (2) The Society may take out a policy of insurance to cover any such indemnity or liability as is mentioned in paragraph (1) above.

21. Vacation of office and disqualification

- (1) A Committee Member shall cease to hold office:-
 - (a) if he resigns his office by notice in writing to the Secretary;
 - (b) if he takes up a permanent residence outside the United Kingdom;
 - (c) if he is requested in writing by all his co-Committee Members to resign and a resolution that he has vacated office is thereafter passed at a meeting of the Committee by a majority of the Members of the full Committee;

- (d) if for more than six consecutive months he absents himself without permission of the Committee from meetings of the Committee held during that period and the Committee passes a resolution that he has vacated office;
 - (e) if he becomes bankrupt or is subject to sequestration;
 - (f) if he is, or might be, suffering from mental disorder and either
 - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the provisions of the Mental Health Act 1983 or he is admitted to hospital under the provisions of the Mental Health (Scotland) Act 1984 or the provisions of the Mental Health Act (Northern Ireland) 1961, or
 - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs;
 - (g) upon a resolution of which notice has been given under Rule 27 that he shall cease to be a Committee Member passed by a majority of the votes cast on a poll at a general meeting;
 - (h) if, whilst a Committee Member of the Society and without the prior consent of his co-Committee Members, he accepts the office of a director in any other organisation, company or body deemed by the Committee to be in direct competition with the business of the Society;
 - (i) upon the conclusion of the Annual General Meeting next following the date at which he attains 70 years of age (unless he is re-elected at that meeting, the requirements of Rule 13(1)(b) having been satisfied);
 - (j) if he becomes prohibited by law from being a Committee Member;
 - (k) if he contravenes Rule 18(1) by knowingly or recklessly failing to declare an interest and the Committee passes a resolution that he has vacated office;
- (2) The Secretary shall give not less than 14 clear days' notice in writing to all Committee Members of a meeting of the Committee at which it is intended to move a resolution that a Committee Member has vacated office. The notice shall set out the proposed resolution and, if all the requirements of this paragraph are not complied with, the resolution, even if passed, shall be of no effect. The provisions of Rule 39 shall be deemed to apply to any such notice.

22. Filling of casual vacancies

- (1) In the case of any vacancy not occasioned by the retirement of any Committee Member by rotation the Committee may at any time, and from time to time, appoint an individual as a Committee Member in order to fill such a vacancy.
- (2) If the Committee resolves to increase the number of Members of the Committee within the limitations prescribed by Rule 12(1), the Committee may appoint an individual as an additional Member in order to fill any vacancy.
- (3) The Committee shall appoint under this Rule only an individual who:-
 - (a) appears to it to be fit and proper to be a Member, and
 - (b) is qualified under Rule 13(1) (as far as that Rule is applicable), and
 - (c) is not a person who, having been nominated for election as a Member at any election held within the preceding 12 months, was not elected as a Member.
- (4) A Committee Member appointed under this Rule shall hold office until the conclusion of the Annual General Meeting next following such appointment or, if earlier, the expiration of the period of 16 months beginning with the date of his appointment.
- (5) A Committee Member appointed under this Rule and retiring under paragraph (4) above shall be eligible for election without nomination, provided that he is qualified under Rule 13(1) at the date of the Annual General Meeting at which he retires and is not ineligible by reason of his age on that date, and he shall be a retiring Committee Member for the purposes of Rule 23(5).
- (6) Notwithstanding any vacancies on the Committee, the remaining Committee Members may continue to act. If at any time the number of Committee Members falls below the minimum of 4 prescribed by Rule 12, the Committee so constituted, although its Members are insufficient to form a quorum, may act by a majority of its Members for a maximum period of 12 months but the Chairman shall, notwithstanding any regulation under Rule 12(4)(c) not have a second or casting vote.

23. Retirement by rotation

- (1) In addition to any Committee Member retiring under Rule 21(1)(i) or 22(4), Members of the Committee elected at Annual General Meetings shall, subject to the provisions of this Rule, hold office for three years, and a maximum of five Members of the Committee of Management shall retire at each Annual General Meeting, but shall be eligible for re-election. Moreover, all those of the other Members of the Committee of Management who have served 9 years or more as a Member of the Committee of Management, continuously or otherwise, shall retire from office at the Annual General Meeting in each year. Members of the Committee shall be elected to provide equitable representation for all of the geographical areas covered by the participating companies. Such representation shall be achieved by relating the locations and/or areas represented by individual Members of the Committee of Management and associated dates of expiry of their terms of office to the overall constitution of the Committee.
- (2) All Members of the Committee shall continue in office until their successors are appointed or on failure of such appointment, those last appointed shall continue for a further term of office as defined in paragraph (1) of this Rule.
- (3) A member who is under 21 years of age shall not be a member of the Committee, a Trustee, Chief Executive, Secretary or Treasurer.
- (4) Elections of Committee Members shall be held at Annual General Meetings. If at such a meeting there is a contest for the office of Committee Member in that the number of candidates for election or re-election to the Committee (including Committee Members retiring under this Rule and Rule 22(4)) exceeds the number of vacancies thereon, the vacancies shall be filled by those candidates obtaining the most votes. The vote shall be taken on a poll, which shall be deemed to have been demanded by the Chairman. The following provisions of the Rules shall apply to such poll :-
 - (i) the voting papers shall include the number of vacancies on the Committee and the full names of all the candidates;
 - (ii) subject to paragraph (i) above, the Committee may prescribe or approve the form of the voting paper and may include such other declarations and denoting of retiring Committee Members as it thinks fit;
 - (iii) the voting shall be effected by the placing of an X after the names of the candidates for whom the votes are to be cast;
 - (iv) the voting papers shall be void if a member votes for more candidates than there are vacancies to be filled;
 - (v) each member shall have one vote in respect of each vacancy to be filled, and
 - (vi) no member shall be required to cast all or any of the votes given him by (v) above.

- (5) If at an Annual General Meeting there is no contest for the office of Committee Member, then
 - (a) any member both eligible for election and nominated under either paragraph (1) or (4) of Rule 13 shall be deemed to have been elected, and
 - (b) any retiring Committee Member offering himself for election or re-election who is qualified under Rule 13(1) at the date of the meeting and is then not ineligible by reason of his age shall be deemed to have been elected or re-elected unless a resolution that he shall cease to be a Committee Member, of which notice has been given under Rule 27(6)(b), shall be passed by a majority of the votes cast on a poll.

24. Pension and other schemes and funds

- (1) In this Rule the term "Officers" excludes any Committee Member who does not hold or has not held any executive position in the Society in addition to that of Committee Member.
- (2) The Committee may from the Society's resources and on such terms as it thinks fit provide, establish, maintain and administer pension, life assurance, sickness, annuity and other funds or schemes (whether contributory or not) for the benefit of :-
 - (a) past, present or future Officers and employees of the Society;
 - (b) past and present Officers and employees of any society with which the Society merges in the future;
 - (c) the spouses, children and dependants of persons referred to in sub-paragraphs (a) or (b) hereof.
- (3) In addition to the powers aforesaid the Committee may grant on such terms as it thinks fit other pensions, allowances, gratuities, donations and bonuses to or for the benefit of :-
 - (a) past or present Officers and employees of the Society;
 - (b) past Officers and employees of a society with which the Society has merged;
 - (c) any spouses, children or dependants of such Officers and employees mentioned in (a) or (b) hereof.
- (4) The Committee may make, vary and revoke the Rules of any such fund or scheme as is mentioned in paragraph (2) (to such extent as this power is not thereby prohibited, or is found permissible) and may constitute any trust and may from time to time at its discretion exercise any powers reserved to the Society by the terms of any trust constituted by the Society including the power of modifying or discontinuing the terms of any such trust or any rules or regulations that may be or may have been made pursuant thereto.

25. Annual General Meetings

- (1) The Society shall hold an Annual General Meeting in each financial year, at such hour, date and place as the Committee shall determine.
- (2) Not more than 15 months shall elapse between the date of one Annual General Meeting and that of the next.
- (3) The Committee shall lay before the members at the Annual General Meeting the Annual Accounts of the Society for the last financial year before the date of that meeting, and shall also submit to them a report by the Committee (called in these Rules "the Committee's Report") on the business of the Society, which Committee's Report shall include the information required by or under the Act and details of any bonuses determined by the Committee.
- (4) Notice of the meeting shall be given by advertisement displayed at participating companies and locations and shall state that copies of the Annual Accounts are available to members on application to stewards or from the Society's Registered Office.
- (5) In these Rules "Annual Accounts" means the classes of document (including the notes to them) the Society is required (unless otherwise exempted) by or under the Act to prepare by way of accounts for itself.
- (6) The report of the auditors on:-
 - (a) the Annual Accounts laid before the Annual General Meeting, and
 - (b) the Committee's Report
 shall be laid before that meeting and shall be available for inspection by any member.
- (7) No business shall be transacted at an Annual General Meeting, and no resolution shall be brought forward at any such meeting, except as may arise upon:-
 - (a) the annual accounts laid before the meeting;
 - (b) the Committee's report submitted to the meeting;
 - (c) the report of the auditors on the documents listed in (a) and (b) above;
 - (d) the election and re-election of Committee Members;
 - (e) the appointment or re-appointment of auditors;
 - (f) a motion for a resolution contained in a Members' Notice received by the Society in accordance with the provisions of Rule 27, and
 - (g) business (including a motion for a resolution, whether special or ordinary, or a motion to add to, alter or rescind any of these Rules) brought before the meeting by the Committee.

26. Special General Meetings

- (1) All general meetings other than Annual General Meetings shall be called special general meetings.
- (2) The Committee may, whenever it thinks fit, convene a special general meeting.
- (3) The Committee shall convene a special general meeting on the requisition of not less than 20 members qualified under paragraph (7) below. The requisition shall state the objects of the meeting (which must not however include the election of a Committee Member) and shall be signed by the requisitioners and deposited at the Registered Office and may consist of several documents in like form each signed by one or more requisitioners. A deposit of £10 in respect of each requisitioner signing the requisition shall be lodged with it. If within half an hour after the time appointed for the meeting a quorum is not present, all such deposits shall be forfeited but if a quorum is present the members present and entitled to a vote at the meeting shall decide whether the deposits shall be appropriated either wholly or in part towards the expenses of convening and holding the meeting and to any extent to which the deposits are not so appropriated they shall be returned by the Society to the requisitioners equally.
- (4) If the Committee does not within 28 days after the date of deposit of the sole requisition, or the date of deposit of the last requisition sufficient to comply with the requirements of paragraph (3) above, proceed to despatch notices convening a meeting to be held within 63 days after that date, the requisitioners or any proportion of them exceeding one-half may themselves convene a special general meeting. Any meeting so convened shall not be held after the expiration of five months from the date of the deposit of the sole or last requisition. The meeting so convened by the requisitioners shall be convened in the same manner, as nearly as possible, as that in which meetings are convened by the Committee and notices shall be sent by post to those persons entitled under Rule 32(5). Any reasonable expenses incurred by the requisitioners by reason of the failure of the Committee duly to convene a meeting shall be paid to those requisitioners by the Society. Any sum so paid shall be recovered by the Society from the defaulting Members of the Committee (whether by way of retention of fees or other remuneration in respect of services, or otherwise). The Committee or, as the case may be, the requisitioners, shall give the members notice of any resolution the requisitioners propose to move at the meeting at the same time and in the same manner as notice is given of the meeting.
- (5) No business shall be entertained at any special general meeting except such as shall be stated in the notice convening the meeting.
- (6) Except where the requisitioners themselves convene a special general meeting under paragraph (4) of this Rule, special general meetings shall be held at such hour, date and place as the Committee shall determine.

- (7) A member shall be qualified for the purposes of paragraph (3) above if he :-
 - (a) has been a member of the Society for a continuous period of not less than two years prior to the date of the requisition, and
 - (b) is a person entitled to vote at a general meeting of the Society on the date of the requisition, and
 - (c) is not in arrears with his contributions to the Society.

27. Notice of meetings

- (1) At least 14 days' notice, expiring on the final date for the receipt of proxies under Rule 31, in writing of every general meeting (whether an Annual General Meeting or a special general meeting) specifying the hour, date and place of the meeting shall be given to members as provided in paragraph (5) hereof.
- (2) The notice shall specify :-
 - (a) the nature of any resolution to be moved at the meeting and of the other business to be transacted thereat, and
 - (b) the full name of each candidate for the office of member of the Committee, or auditor, unless the nomination has been made, or in the case of an auditor his nomination has been received, too late for his candidature to be included in, or to accompany, the notice.
- (3) The notice shall state that:-
 - (i) a member entitled to attend and vote may appoint one proxy to attend and, on a poll, vote at the meeting instead of him; and
 - (ii) the proxy need not be a member of the Society; and
 - iii) the member may direct the proxy how to vote at the meeting.
- (4) The Annual General Meeting shall be described as such in the notice of meeting.
- (5) Members who would be eligible to vote at the meeting, if the meeting were held on the date of the notice, shall be notified by means of advertisements;
 - (i) displayed on all available notice boards at participating companies and/or locations;
 - (ii) inserted in the newsletters or magazines of participating companies where this is possible.

- (6) For the purposes of the following paragraphs of this Rule the following expressions shall have the following meanings :-
- (a) "Requisite Number" means 20, and
 - (b) "Members' Notice" means a notice given to the Society in writing (whether in one or more documents) by at least the Requisite Number of members, of their intention to have moved on their behalf at an Annual General Meeting a resolution that is specified in the notice and is either a Special Resolution or an ordinary resolution.
- (7) If the Society receives a Members' Notice, (subject to paragraphs (8) and (9) below) the Committee shall :-
- (a) include in the advertisement of the Annual General Meeting a notice specifying the intention of those members moving it to have the resolution moved on their behalf at that meeting and, if applicable, the intention to move it as a Special Resolution, and
 - (b) at the request of the members intending to have the resolution moved on their behalf, include in the notice of that meeting to each member entitled under paragraph (5) above to receive notice of that meeting a copy of any statement of not more than 100 words with respect to the matter referred to in the resolution.
- (8) The Committee shall be under no duty :-
- (a) to include a Members' Notice in the notice of the Annual General Meeting, or
 - (b) to send to members such a statement as is mentioned in paragraph (7)(b) above
- if :-
- (i) the Members' Notice (or the last of the documents sufficient to enable it to comply with the requirements of paragraph (6)(b) above) and, if submitted, any statement given (of the kind mentioned in paragraph 7(b) above) are given to or lodged with the Society later than the last day of the financial year preceding that in which the Annual General Meeting at which it is intended to move the resolution is being held; or
 - (ii) the resolution specified in the Members' Notice and, if lodged, any such statement does not relate directly to the affairs of the Society; or
 - (iii) the rights conferred by paragraph (7) above are being abused to seek needless publicity for defamatory matter or for frivolous or vexatious purposes; or

- (iv) the resolution specified in the Members' Notice is in substantially the same terms as any resolution that has been defeated at a meeting during the period beginning with the third Annual General Meeting before the date on which the Members' Notice (or the last of the documents sufficient to enable it to comply with the requirements of paragraph (6)(b) above) is given to the Society.
- (9) If it is not practicable for any reason to include in the notice of the Annual General Meeting a notice given by members in accordance with paragraph 6(b) above, the notice so given together with any statement lodged in accordance with that paragraph shall be displayed or advertised with the notice of that meeting.

If, however, that is not practicable, the notice so given and any statement so lodged shall be displayed or advertised as soon as practicable after the original notification and/or advertisement of that meeting.
- (10) A notice of a meeting shall be given by the Society by the means indicated at paragraph (5) above and in paragraphs (11) to (13) below the term "Notice" includes any such notice given or statement lodged by members as is required to be sent by paragraph 6(b) above.
- (11) Where a notice is required to be sent to a member who has appointed a power of attorney, a notice of a meeting shall be given to the holder of such power of attorney which has been duly registered in the records at the Registered Office by sending the notice by post to the registered address of the holder of the power of attorney. No notice shall be given to the member who gave the power.
- (12) Where a notice is required to be sent to a member, if a member is suffering from mental disorder a notice of a meeting shall be given by the Society to his receiver, curator bonis or other person in that behalf appointed by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder. Such a notice shall be sent by post to the address supplied for the purpose by the aforesaid receiver, curator bonis or other person or, until such an address has been so supplied, by sending the notice by post to the registered address of the member.
- (13) The accidental omission to advertise a meeting or to display a notice of a meeting or to send a notice of a meeting or non-receipt of a notice of a meeting by any person entitled to receive notice shall not invalidate the proceedings at that meeting.

28. Quorum at general meetings

- (1) No business shall be considered at any Annual General Meeting or special general meeting unless a quorum is present, and a quorum shall be constituted for all purposes by 5 members present or represented and entitled to vote.

- (2) If within half an hour from the time appointed for holding of a general meeting a quorum be not present, the meeting, if convened on the requisition of members under Rule 26(3) or (4), shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at a nominated venue, and if a quorum is not present within half an hour from the time appointed for holding the adjourned meeting, the members personally present, including any who hold office, shall form a quorum and may transact the business for which the meeting was called.

29. Procedures at general meetings

- (1) The Chairman of the Committee (or, in his absence, the Vice-Chairman of the Committee) will preside at every general meeting of the Society. If there is no such Chairman or Vice-Chairman or if neither the Chairman nor the Vice-Chairman is present within fifteen minutes after the time appointed for the meeting or if both the Chairman and the Vice-Chairman are unwilling to act, the Committee Members present shall elect one of their number to be Chairman of the meeting. If at any meeting no Committee Member is willing to act as Chairman, or if no Committee Member is present within fifteen minutes after the time appointed for the meeting, the members present and entitled under Rule 33 above to be included in the quorum for the meeting shall choose one of their number who is present to be the Chairman of the meeting.
- (2) The Chairman of the meeting may, notwithstanding the presence of a quorum (and shall, if so directed by a resolution of the meeting), adjourn the meeting from time to time and from place to place, but except as provided in paragraph (10) of this Rule no business shall be transacted at any adjourned meeting other than the business left unfinished or not reached at the meeting from which the adjournment took place.
- (3) Every adjourned meeting shall be deemed a continuation of the original meeting and any resolution passed at an adjourned meeting shall for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have passed on any earlier date.
- (4) When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting but otherwise it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- (5) Subject to the Act and these Rules every question submitted to an Annual General Meeting or special general meeting shall be decided by a simple majority and such votes shall be taken in the first instance by a show of hands.

- (6) A poll may (before or on the declaration of the result of the show of hands) be demanded by :-
- (a) the Chairman of the meeting, or
 - (b) 5 members who are entitled to vote at the meeting and are present in person, by proxy, by attorney, by representative or by a person specified in Rule 30(4).

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

- (7) Unless a poll be so demanded, a declaration by the Chairman that a resolution on a show of hands has been carried, or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of, or against, such resolution.
- (8) If a motion for a Special Resolution is to be put to the vote of the meeting or there is a contest for the office or appointment of a Member of the Committee or auditor, a poll shall be deemed to have been demanded by the Chairman.
- (9) Except in the case of a motion for a Special Resolution or of a contest for the office or appointment of Committee Member or auditor, the demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the Chairman, and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
- (10) If a poll is duly demanded in accordance with paragraph (6), it shall be taken at the meeting at which it is demanded or, if the Chairman so decides, at an adjourned meeting and in either case in such manner, subject to paragraph (12) below, as the Chairman directs and the result of the poll shall, notwithstanding paragraph (3) of this Rule, be deemed to be the resolution of the meeting or adjourned meeting at which the poll was taken. The Chairman may, in the event of a poll, appoint the scrutineers (who need not be members of the Society) and may adjourn the meeting or adjourned meeting to some hour, date and place fixed by him for the purpose of declaring the result of the poll.
- (11) A poll demanded on a question of adjournment shall be taken forthwith and the result declared immediately upon the conclusion of the taking of the poll. A poll demanded on any other question shall not prevent the continuance of a meeting for the transaction of any business other than that upon which the poll has been demanded.
- (12) Voting papers to be used on a poll shall be valid only if they are issued by the Society.

30. Entitlement of members to vote on resolutions

- (1) Every member present or voting by proxy (and not disqualified by arrears or otherwise as mentioned in these Rules) shall have one vote, and when the votes are equal the then presiding Officer shall have an additional or casting vote.
- (2) The holder of a power of attorney from a person who is a member and who is entitled to vote under paragraph (1) above shall, if the power of attorney is duly registered at the Registered Office and if the power has the effect of authorising the holder to exercise the right of the member under the Rules, be entitled to vote in all circumstances as if he were a member and in the member's stead but he shall not be entitled to appoint a proxy or an attorney.
- (3) A member who is entitled to vote under paragraph (1) above, and in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, by his receiver, curator bonis or other representative in that behalf appointed by that court. Any such receiver, curator bonis or other representative may vote either on a show of hands or on a poll, and if on a poll, may vote by proxy. Evidence to the satisfaction of the Committee of the authority of the person claiming to exercise the right to vote shall be deposited at the Registered Office not less than 2 clear days before the day appointed for holding the meeting or adjourned meeting, at which the right to vote is to be exercised, and in default, the right to vote shall not be exercisable.
- (4) The right to vote shall be limited to those persons on whom this Rule confers a right to vote (subject to Rule 31).

31. Appointment of proxies

- (1) A member entitled to attend and vote at a meeting of the Society :-
 - (a) may appoint one person (whether a member or not) as his proxy to attend and, on a poll, to vote at the meeting instead of him, and
 - (b) may direct the proxy how to vote at the meeting.
- (2) The instrument appointing a proxy or a representative shall be deposited at the Registered Office not less than 48 hours before the day appointed for holding the meeting, or adjourned meeting, and in default the instrument shall not be treated as valid.
- (3) An instrument appointing a proxy shall be in such form as the Committee may from time to time determine (provided that such form shall not limit the manner in which the person appointing the proxy may direct him to vote).
- (4) The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll but, save as by this paragraph provided, a proxy shall have no right to speak at the meeting.

- (5) If a member who, at the final date for the receipt of proxy instruments determined under paragraph (2) above, is entitled to attend and vote at the meeting appoints a person as a proxy to vote instead of him at that meeting and then ceases after that date to be so entitled, that person may notwithstanding Rule 30(2), act as the member's proxy at that meeting.
- (6) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding:-
 - (a) the previous death or mental disorder of the appointor or revocation of the proxy or of the authority under which the proxy was executed, provided that no intimation in writing of such death, mental disorder, revocation or transfer as aforesaid shall have been received by the Society at its Registered Office before the commencement of the meeting or adjourned meeting at which the proxy is used;
 - (b) that since the last date specified for the deposit of instruments of proxy the appointor has ceased to be entitled to attend and vote at the meeting.

32. Accounts, systems of control

- (1) The Committee shall cause accounting records of the Society to be kept, and establish and maintain systems of control of its business and records and of inspection and report, in accordance with the 1992 Act.
- (2) The Committee shall, before 1st July in each financial year, send to the Commission a statement of their opinion whether the requirements of the Act have been complied with in respect of the last financial year by the Society.
- (3) The Committee shall in each financial year, not later than 30th June or 14 days before the Annual General Meeting, whichever is earlier, send two copies to the Commission and one copy to the Central Office of the Annual Accounts for the last financial year, the Committee's report for that year and the auditors' report on those accounts.
- (4) The Secretary shall supply free of charge to every member on demand copies of the Annual Accounts for the last financial year, the Committee's report for that year and the auditors' report on those accounts, and he shall ensure that copies of such documents are also made available at the Society's Registered Office.
- (5) The Committee shall in each financial year, not later than 1st October, also send to the Commission an additional report prepared by the auditors, in accordance with the Act, on the conduct of the activities of the Society for the last financial year.

33. Inspection of Records

The Committee shall make the records of the Society available for inspection by any member or person having an interest in the funds of the Society at all reasonable hours, at the registered office of the Society, or at any place where the records are kept, and it shall be the duty of the Secretary to produce the same accordingly. But such member or person shall not, unless he is an Officer of the Society, or is specially authorised by a resolution of the Society to do so, have access to personal information in respect of any other member (other than information contained in register of members) or the right to inspect the loan account of any other member without the written consent of that member.

34. Auditors

- (1) At each Annual General Meeting the Society shall appoint a qualified auditor to audit its annual accounts. An individual or a firm may be appointed as auditor. The Society shall, within one week of the date of the meeting, notify the Commission if no auditor has been appointed or re-appointed.
- (2) For the purpose of this Rule a person is eligible for appointment as an auditor of a friendly society that is a member of any of the supervisory bodies recognised under the Companies Act 1989 and is not ineligible for appointment under the rules of that body. None of the following shall be appointed as auditor of the Society:-
 - (a) an Officer or employee of the Society, or
 - (b) a partner or an employee of such a person or a partnership of which such a person is a partner, or
 - (c) a person who has, or whose associates have, connections with the Society, or
 - (d) a person who is ineligible by virtue of section 27(1)(a) or (b) of the Companies Act 1989 or article 20(1) of the Companies (Northern Ireland) Order 1990.
- (3) The Committee may appoint an auditor to fill any casual vacancy occurring between general meetings of the Society.
- (4) The remuneration including any sums in respect of expenses, to be paid to the auditor shall be fixed by the Committee or in such manner as the Society shall determine at a general meeting.
- (5) The Society may by ordinary resolution in general meeting remove an auditor before expiration of his term of office, and notice of such resolution shall be sent, within 14 days, by the Secretary to the Central Office. A resolution at an Annual General Meeting or a special general meeting of the Society:-
 - (i) removing an auditor before the expiration of his term of office, or
 - (ii) appointing another person as auditor in place of a retiring auditor

shall not be effective unless notice of the intention to move it has been given to the Secretary not less than 28 days before the meeting at which it is moved. On receipt of notice of intention to move any such resolution the Secretary shall give notice of the resolution to the members and to the person proposed to be removed or, as the case may be, to the person to be appointed and to the retiring auditor. The Secretary shall, unless on application the court directs otherwise, also inform the members of any representations made by the person proposed to be removed or, as the case may be, the retiring auditor, and shall make copies of the representations available at the meeting at which the resolution is to be moved.

- (6) Where the Society receives from an auditor a written notice of his resignation of office, the Secretary shall, within 14 days, send a copy of that notice to the Central Office.
- (7) Where the Society receives from an auditor, on cessation of his office, a statement of any circumstances which he considers should be brought to the attention of the members and creditors of the Society, the Secretary shall, unless on application the court directs otherwise, send a copy of such statement to the members.
- (8) Where the auditor, with a notice referred to in paragraph (6) above, requisitions the convening of a special general meeting of the Society for the purpose of considering an explanation of the circumstances connected with his resignation, the Secretary shall within 21 days convene such a meeting for a day not more than 28 days after the date on which notice of the meeting is given and the Society will, unless on application the Court directs otherwise, comply with the requirements set out in paragraph 13 of Schedule 14 to the Act.

35. Actuary and valuations

- (1) The Society shall have an actuary who shall be appointed and whose appointment may be terminated by the Committee. The Committee shall notify the Commission of all appointments and changes.
- (2) The Committee shall arrange for the actuary to conduct an investigation and report accordingly into the financial condition of the Society in respect of its long term business, in accordance with the Act.
- (3) The Society shall keep adequate records to enable the actuary to conduct such an investigation.
- (1) The actuary shall make a report on the conditions of the Society. The report shall contain an abstract of the results of the valuation, together with such information with respect to the benefits assured and the contributions receivable by the Society and to its funds and effects, debts and credits as the Commission may require. On receiving the actuary's report, the Secretary shall send certificates issued by the actuary to the Commission within the period set down in the 1992 Act. The Committee shall lay a copy of the report before the general meeting and shall arrange for it to be available for perusal at the Society's Registered Office.

- (2) If, as the result of such valuation and report, it shall be shown that either the Sick Fund or the Provident Fund, or both, have a surplus beyond their requirements, a Special General Meeting of the Society, called for the purpose, shall have. The power to increase the benefits from or reduce the weekly contribution to such Fund or Funds, or otherwise vary the benefits or the contributions by registered amendments of the Rules passed by the resolution required by and otherwise in accordance with Rule 45, provided always that no variation shall be made in benefits or contributions which would have the effect of creating or increasing a deficiency in the Society in relation to its requirements as a whole after taking into account any amount outstanding in respect of investments made after the date to which the valuation relates. The advice of the actuary as to the financial effect of the proposed amendments shall be obtained and presented to the meeting before these amendments are accepted.
- (3) If, as the result of valuation and report, it shall be shown that either the Sick Fund or the Provident Fund, or both, are in deficiency in relation to their requirements, this deficiency shall be liquidated by increasing the weekly contributions or by reducing the benefits, or by otherwise varying the benefits or the contributions by registered amendments to the Rules passed by the resolution required by and otherwise in accordance with Rule 45 at a Special General Meeting of the Society called for the purpose, provided always that such variation in benefits and contributions shall be sufficient to liquidate any deficiency in the Society in relation to its requirements as a whole after taking into account the amount outstanding in respect of investments made after the date to which the valuation relates. The advice of the actuary as to the financial effect of the proposed amendments shall be obtained and presented before these amendments are accepted.

36. Application of funds

- (1) All monies received on account of contributions in accordance with any tables set out in these Rules, or on account of levies, donations or otherwise, shall be applied in carrying out the purposes of the Society in accordance with the Rules.
- (2) Both monies received and interest on investments, shall be credited to the appropriate funds.

37. Investment of funds

So much of the funds of the Society as may not be wanted for immediate use or to meet the usual accruing liabilities shall, with the consent of the Committee or of a majority of the members of the Society present and entitled to vote in general meeting and, where appropriate, with the approval of the actuary, be invested by the Trustees in any of the following ways; namely :- in the purchase of land, or in the erection or alteration of offices or other buildings thereon, or in any investment in which Trustees are for the time being by law authorised to invest trust funds.

38. Holding of land

- (1) The Society may acquire and hold land for the purpose of carrying on any of its activities in the names of its Trustees and may dispose of, or otherwise deal with any land so held; and
 - (a) no person shall be bound to enquire as to the authority of the Trustees to dispose of or deal with land;
 - (b) the receipt of the Trustees shall be a discharge for all sums of money arising from, or in connection with, the disposal of or other dealing with land.

39. Disputes and complaints

- (1) If any dispute shall arise between a member or person claiming through a member or under the Rules, or any person aggrieved who has ceased to be a member, or any person claiming through such person aggrieved, and the Society, or any Officer of the Society, it shall be decided by reference to arbitration, under the conditions set out at subsection (2) of this Rule or, where both parties to the dispute so consent, by reference to the county court.
- (2) Five arbitrators shall be elected at a general meeting, none of them being directly or directly interested in the funds of the Society, and any vacancy or vacancies shall be filled at a general meeting. The complaining party to a dispute, or someone appointed by him, shall draw three names out of the five by lot and the three arbitrators whose names are first drawn shall decide the dispute.
- (3) In default of determination under subsection (2) above and upon the expiry of 40 days beginning with the day on which application was made for such determination, either party may apply for determination of the dispute by the county court.
- (4) In this Rule the expression "dispute" includes any dispute arising on the question whether a member or person aggrieved is entitled to be or to continue to be a member or to be reinstated as a member but, save as aforesaid, in the case of a person who has ceased to be a member, does not include :-
 - (a) any dispute other than a dispute on a question which arose whilst he was a member or arises out of his previous relation as a member to the Society, and
 - (b) a dispute which has arisen as a result of and incidentally to a dispute between a member, or person aggrieved who has ceased to be a member and a person claiming through him or under the Rules of the Society.

40. Voluntary dissolution

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

41. Distribution of surplus assets on dissolution

Upon the dissolution of the Society by consent, any surplus remaining after payment in full of the Society's creditors shall be divided among those members who were members at the date that the special resolution was approved so that the amount of remaining surplus which each member receives will be the same proportion thereof as that member's financial interest in the Society, as certified by the actuary, bears to the Society's total assets.

42. Trustees

All deeds, documents of title and securities for money shall be held by the Trustees, who shall take measures for the safe custody and preservation thereof at the expense of the Society as they think fit, and they shall be responsible for the safe custody of all deeds, documents and securities as are placed in their hands or under their control, and shall produce them for inspection by the auditors when required by them, and whenever else required by a resolution of a general meeting or of the Committee. The Trustees shall be the persons to sue and be sued on behalf of the Society. If any Trustee, being removed from his office, refuses or neglects to assign or transfer any property of the Society as a general meeting may direct, such Trustee shall (if he be a member) be expelled, and cease to have any claim on the Society without prejudice to any liability to prosecution.

43. Notices

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

44. Copies of Rules

The Secretary shall on request give a copy of these Rules:-

- (i) free of charge, to any member of the Society to whom a copy of these documents has not previously been given; and
- (ii) to any other person on payment of a reasonable fee.

45. Amendment of Rules

- (1) The majority of the members at a general meeting of which notice has been given specifying the intention to propose an amendment of the Rules may amend them by adding, rescinding or varying any provision.
- (2) Copies of any amendment of the Society's Rules shall be sent to the Registrar for registration.
- (3) No amendment of the Society's Rules shall take effect until it is registered.
- (4) The Society may change its name in accordance with the above provisions for the registration of an amendment of its Rules.
- (5) The Society may change its registered office. Such change shall be agreed by a majority of the members of the Committee of Management. Notice of the change shall be sent to the Registrar in the directed form.

46. Applicable law

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

47. Financial Services Compensation Scheme

The Society shall, as required, contribute to the Financial Services Compensation Scheme pursuant to rules made under section 21.3(3)(b) of the Financial Services and Markets Act. The Financial Services Compensation Scheme may, in accordance with these rules, pay compensation to members who are eligible claimants (as defined in the Compensation Sourcebook of the Financial Services Authority) or secure continuity insurance for members who are eligible claimants, where the Society is unable or unlikely to be unable to meet claims against it.

APPENDIX A**BUS EMPLOYEES' FRIENDLY SOCIETY****APPOINTMENT OF PROXY FOR 20xx ANNUAL GENERAL MEETING**

To: Bus Employees' Friendly Society

Iof

.....

hereby appoint the chairman of the meeting, or, failing him,

.....of

.....

as my proxy to attend, speak and vote in my name on my behalf at the Annual General Meeting of the Society to be held on the xxxxxxxxxx day of xxxxxx 20xx, and at any adjournment thereof.

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

Proposition	For	Against	Abstain

Dated this day of 20xx