



SCHOOLTEACHERS FRIENDLY SOCIETY

RULES

As at 8 May 2010

**This document is an up-to-date version of the Rules of the Society
as at 10 May 2008.**

**It is based on the last published version dated March 1996 and amendments
agreed since then by the members at General Meetings.**

**Words/phrases in the original 1996 version which have been deleted by
subsequent amendments are shown with a line through them, and new
words/phrases added are shown in italics.**

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RULES
Of
THE SCHOOLTEACHERS FRIENDLY SOCIETY

Register No. 454F
(All previous rules rescinded)

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 Act' means the Friendly Societies Acts, 1974 to 1992 and any Acts amending or substituted for them for the time being in force.
- (4) 'appropriate actuary' has the meaning given by s.119 of the Friendly Societies Act, 1992.
- (5) '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.
- (6) 'the Commission' means the Friendly Societies Commission.
- (7) 'special resolution' has the meaning given by paragraph 7 of schedule 12 to the Friendly Societies Act, 1992.
- (8) 'the Registrar' means:
 - (a) in relation to the central registration area - the Central Office; and
 - (b) in relation to Scotland - the Assistant Registrar for Scotland.
- (9) *Any reference to the 'Friendly Societies Commission', 'Commission', 'Chief Registrar', 'Registrar', 'Central Office', 'Assistant Registrar for Scotland' or the Registry of Friendly Societies includes reference to the Financial Services Authority (also known as the FSA) and any statutory successor carrying on the relevant functions of each of them.*
- (10) *'member' is deemed to include 'child member' unless specifically qualified.'*

1. NAME

The Society is a registered friendly society. It is called THE SCHOOLTEACHERS FRIENDLY SOCIETY, and is hereinafter referred to as 'the Society'.

2. REGISTERED OFFICE

The address of the registered office shall be:

~~'Camelot'~~
~~6 Elmsley Road~~
~~Liverpool L18 8AZ~~
30 Mather Avenue
Liverpool L18 5HS

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 subscription from members of the Society, with or without donations.
- A. Long term business of one or more of the following Classes:

No.	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) below.
II	Marriage and birth	Effecting and carrying out contracts of insurance to provide a sum on marriage or on the birth of a child, being contracts expressed to be in effect for a period of more than one year.
III	Linked long term	Effecting and carrying out contracts of insurance on human life or contracts to pay annuities on human life where the benefits are wholly or partly to be determined by reference to the value of, or the income from, property of any description (whether or not specified in the contracts) or by reference to fluctuation in, or in an index of, the value of property of any description (whether or not so specified).
IV	Permanent health	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: (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.
V	Tontines	Effecting and carrying out tontines.
VI	Capital redemption	Effecting and carrying out capital redemption contracts.
VII	Pension Fund Management	Effecting and carrying out:- (a) Contracts to manage the investments of pension funds; or (b) Contracts of the kind mentioned in paragraph (a) above that are combined with contracts of insurance covering either conservation of capital or payment of a minimum interest.

(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 purposes of the Society.

4. MEMBERSHIP

- (1) Any person may, at the discretion of the Board, be admitted as a member of the Society, and ~~if so on request~~, shall be provided with a copy of the current Rule Book.
- (2) The Board shall have the right to refuse admission to any person without giving any reason for such refusal.
- (3) The date of admission of any member shall be reckoned to be the date on which the first premium or contribution is paid.
- (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 as 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 Board.
- (5) ~~The Board shall have the right to restrict the sale of certain of its products to members of the teaching profession as specified in the Appendices. The Board shall have the right to restrict the sale of its products to certain members as specified in the Appendices.~~

5. RECORD OF NAMES AND ADDRESSES

- (1) The Society shall maintain records of the names and addresses of the members of the Society.
- (2) The records shall be kept at the registered office of the Society or at such place or places as the Board thinks fit.
- (3) Where it appears to the Society that the address shown in the records for a member is no longer current, the Society:-
 - (a) may remove that address from the records; and
 - (b) need not enter in the records an address for that member while it has no address for him and his whereabouts are unknown.
- (4) Members changing their address shall be expected to give notice to the Society as soon as practicable and the Society shall thereupon enter the new address in the records.

6. CONTRIBUTIONS AND BENEFITS

Every member of the Society shall pay contributions or premiums and receive benefits as provided in the Appendices to these Rules appropriate to each product. All such contributions and premiums shall be dealt with in accordance with Rule 39 (Application of funds.)

7. SURPLUSES AND BONUSES

Distribution of surplus and bonuses referred to in the Appendices to these Rules shall be determined by the Board upon the advice of the appropriate actuary.

8. UNIT-LINKED BUSINESS

~~The Society does not carry out business on a unit-linked basis. Delete~~

9. REINSURANCE OF RISKS

The Society does not carry out reinsurance business, but may reinsure the risks undertaken in the course of providing benefits to members with any proper and recognised insurers.

10. DISQUALIFICATIONS AND FORFEITURES OF MEMBERSHIP

(1) Should any member of the Society:

- (i) be convicted of an arrestable offence as defined in the Criminal Justice Act 1967, and as subsequently amended;
- (ii) wilfully commit repeated and serious breaches of these Rules
- (iii) knowingly make any false statement or declaration with the object of imposing on the funds of the Society
- (iv) make any wilful and material mis-statement or omission in application for membership

the member may be expelled from the Society at the discretion of the Board. Every member shall have the right to be heard by the Board before a final decision is taken, and shall have seven days notice of the hearing.

(2) A member who shall be expelled from the Society under any of these Rules shall be considered as standing in the position of a member who, on the date of such expulsion, gave notice under these rules of desire to withdraw.

11. ARREARS

Any member who is in excess of the appropriate Arrears condition as stated in the Appendices attached to these Rules may be liable to expulsion from the Society at the discretion of the Board.

12. BENEFITS

The benefits to be paid under any scheme or policy issued by the Society are contained in the appropriate Appendix attached to these rules.

13. 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 purpose of the enactments specified in subsection (1) of that section.

(2) All such nominations shall be made by writing, under the hand of the member, delivered at or sent to the registered office of the Society, or made in a book kept at such office.

(3) The person or persons so nominated must not at the date of the nomination be an officer or employee of the Society unless that officer or employee is the husband, wife, father, mother, child, brother, sister, nephew, or niece of the nominator.

(4) A nomination so made may be revoked or varied by any similar document, under the hand of the nominator, delivered, sent or made as aforesaid, but a nomination is not revoked by a subsequent will.

(5) The marriage of a member shall operate as a revocation of any nomination previously made by him.

(6) Nominations, revocations and variations may be made on forms available on request from the Chief Executive.

14. BOARD 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 Board of Management (herein referred to as the "Board") consisting of *the Chief Executive and* not more than 10 nor (subject to the provisions of rule 24(6)) less than 7, *the majority of whom will be*, members of the Society. The Board may from time to time resolve the number who together shall constitute the Board within these limitations.

(2) Subject to the provisions of the Act and these rules and to any directions given by special resolution, the business of the Society shall be managed by the Board who may exercise all the powers of the Society.

(3) No amendment of the rules and no direction as specified in (2) above shall invalidate any prior act of the Board 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 Board:

- (a) shall ensure the direction and management of all affairs and business of the Society
 - (i) by a sufficient number of persons fit and proper to be Board 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 these rules, and with the Act.

(b) shall supervise the activities of any representative of the Society;

(c) may make, vary or revoke regulations for the conduct of business at its meetings, including, but not limited to:

- (i) voting rights, including casting votes;
- (ii) special meetings, and
- (iii) minutes of meetings;

(d) may pay out of the funds of the Society the expenses of the Society and such sums as the Board may deem necessary or expedient to be paid in the interests of the Society, but no Board Member 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) The Board shall meet for business as often as it shall find necessary and 5 Board Members shall form a quorum.

(6) The validity of any proceedings or acts of the Board shall not be affected by any vacancy among the Board Members or by any defect in the appointment of a Board Member.

15. ELIGIBILITY AND ELECTION OF THE BOARD OF MANAGEMENT

(1) No individual shall be elected or appointed as a Board Member unless:
either

- (a) he will be less than 70 years of age at the date on which the election, or in the case of an appointment under rule 21, the appointment, would take effect;
- or
- (b) if he will be more than 70 years of age at the date on which the election would take effect, he has been approved by resolution of the Board as eligible for election, and his age and the reasons for the Board's approval of his eligibility have been notified to every person entitled to vote at the election;
- and
- (c) he is not a minor,
- and
- (d) ~~he must not be in arrears with his contributions,~~ *if he is a member he must not be in arrears with his contributions and/or premiums*
- ~~and and~~
- (e) (except in the case of appointment under rule 24 or nomination under paragraph (5) below, or where a Board Member retires under rule 25), a form nominating him, signed by not less than 5 members who comply with the requirements of paragraph (3) below, has been delivered at the Registered Office during the hours of public business of the Society before the 31st December preceding the Annual General Meeting at which the vacancy in respect of which he is nominated is to be filled. The nomination form shall contain the full name, address, age and occupation of the person nominated, his consent to be so nominated, and the full names and addresses of the members proposing his nomination. The nomination form shall be dated with the date of its delivery at the Registered Office and that date shall be deemed to be the date of nomination for the purpose of paragraph (3) below.
- (2) In exercise of its duties pursuant to rule 14(4)(a) the Board
- (a) will require any individual nominated for election as a Board Member to complete his nomination form by signing a declaration to serve the Society, and
- (b) may require such individual(s) to supply in writing such forms as the Board may specify, evidence as to his qualifications, financial and managerial experience, creditworthiness, competence and character and to complete in draft any form or questionnaire that, if elected, he would be required to submit to any regulatory authority in accordance with the Act.
- (3) The requirements with which a member must comply in order to be eligible to nominate an individual as a Board Member are as follows:
- (a) he must have been a member for a period of not less than 2 years before the date of nomination; and
- (b) he must not be in arrears with his contributions; and
- (c) he must not be a minor at that date.
- (4) If a vacancy arises on the Board after the last day of the financial year and before the conclusion of the Annual General Meeting held in the succeeding financial year by reason of the death or disqualification of any retiring Board Member who was seeking re-election the Board may without giving notice under rule 29 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 Board Member as a candidate for election and such Member shall be deemed to be a retiring Board 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 Board shall be and become a vacancy which the Board has power to fill under rule 24.
- (5) Where a person becomes or ceases to be a Member of the Board, 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 Board and, in the case of a person becoming a Member, the date of his birth.

16. APPOINTMENT OF CHAIRMAN, VICE-CHAIRMAN AND TREASURER

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

17. REMUNERATION AND EXPENSES OF OFFICERS.

- (1) The annual remuneration of any Officers as Members of the Board shall be paid at a rate to be determined by the Board from time to time. This remuneration shall be divisible among them in such proportion as may be agreed among them by a majority decision and, in default of agreement, in equal shares.
- (2) In addition to such remuneration, any Officer may be paid such reasonable travelling, hotel and other expenses as he might incur while attending Society business with the approval of the Board. He may also, by resolution of the Board, be paid for professional or other work done by him on behalf of the Society in addition to his usual services as an Officer.

18. VALIDITY OF ACTS.

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

19. OFFICES OF PROFIT.

- (1) A Board Member may hold any office or place of profit with the Society (other than the office of auditor or valuer) simultaneously with his office of Board Member and may be appointed by the Board to an office or place of profit with any body corporate in which the Society is, or will be, interested.
- (2) A Board Member so appointed to an office or place of profit with a body corporate in accordance with paragraph (1) above shall disclose to the Board any benefit he derives from any such office or place in the financial year in which it is received.
- (3) A Board Member, notwithstanding his interest, may be counted in the quorum present at any meeting at which he or any other Board Member is appointed to hold any office or place of profit with the Society or with any body corporate in which the Society is, or will be, interested or at which the terms of any such appointment are arranged. He may vote on any such appointment or arrangement other than his own appointment or the arrangement of the terms of that appointment.

20. INTEREST IN CONTRACTS.

- (1) Subject to a Board Member's complying with the provisions for the time being of the Act that-
 - (a) require him to declare to the Board any direct or indirect interest he might have, or be treated as having in any contract to which the Society is a party;
 - (b) prohibit particular contracts;
 - (c) require a contract to be approved by a resolution of a general meeting or
 - (d) require him to furnish to the Society particulars of any related business,he may enter into or be interested, whether directly or indirectly, in contracts with the Society and shall not be disqualified from office thereby, nor shall he be liable to account to the Society for any profit arising out of any such contract to which he is a party or in which he is interested by reason of his being at the same time a Board Member.
- (2) No Board Member may vote as a Board Member in regard to any contract, or proposal therefore, in which he is interested, whether directly or indirectly, or upon any matter arising out of it. If he shall so vote, his vote shall not be counted nor shall he be reckoned in estimating a quorum when any such contract, or proposal therefor, is under consideration.
- (3) Notwithstanding anything contained in this rule, the prohibition contained in the above paragraph (2) may at any time or times be suspended or relaxed to any extent by resolution at a general meeting of the Society.
- (4) In this rule the term "contract" includes any transaction or arrangement.

21. APPOINTMENT OF OFFICERS, EMPLOYEES AND OTHERS.

- (1) (a) The Officers of the Society shall be:
 - (i) a member of the Board
 - (ii) the Chief Executive.(b) The Officers shall be the persons to sue and be sued on behalf of the Society.
- (c) The Society must have a Chief Executive who shall also act as Secretary who shall be appointed and whose appointment may be terminated by the Board. ~~The Chief Executive may not be a member of the Board.~~
- (2) The Chief Executive is responsible under the immediate authority of the Board for the conduct of the business of the Society.
- (3) The Board shall take all reasonable steps to secure that the person appointed as Chief Executive has the requisite knowledge and experience to discharge the functions of his office.
- (4) The Chief Executive shall give his attendance at all meetings of the Society as required by the Board; he shall record correctly the names of the Members of the Board there present and the Minutes of their proceedings in a book to be authenticated by the signature of the Chairman as the proceedings of the meeting; he shall receive proposals for admission and demands for allowances of every description sanctioned by the rules; he shall keep the accounts under the supervision of the Treasurer and all documents and papers of the Society in such manner and for such purposes as the Board may appoint, and shall prepare and send all returns and other documents required by the Friendly Societies Acts or the Treasury Regulations to be sent to the Registrar. The Chief Executive shall, on all occasions, in the execution of his office, act under the superintendence, control and direction of the Board.
- (5) Where a person becomes or ceases to be the Chief Executive, the Society shall within one month give notice of the 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.
- (6) The Board may also-
 - (a) appoint and terminate the appointment of such employees, advisers and agents as the Board may at any time determine;
 - (b) appoint under this rule more than one person to any office or place with the exception of the office of Chief Executive and may require from any person appointed under this rule such guarantees as in its judgement shall appear necessary.
- (7) The powers and duties of persons appointed under this rule shall be those given them from time to time by the Board which may pay them such salaries, wages, commissions and bonuses, compensation for loss of office or of employment, fees and other remuneration as it may consider desirable.

22 INDEMNITY TO BOARD MEMBERS, OFFICERS AND EMPLOYEES.

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

23. VACATION OF OFFICE AND DISQUALIFICATION.

- (1) A Board Member shall cease to hold office-
 - (a) if he resigns his office by notice in writing to the Chief Executive;
 - (b) if he takes up a permanent residence outside the United Kingdom;
 - (c) if for more than six consecutive months he absents himself without permission of the Board from meetings of the Board held during that period.
 - (d) if he becomes bankrupt or is subject to sequestration;
 - (e) 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.
 - (f) upon a resolution of which notice has been given under rule 29 that he shall cease to be a Board Member passed by a majority of the votes cast on a poll at a general meeting;
 - (g) if, whilst a Board Member of the Society and without the prior consent of his co-Board Members, he accepts the office of a director in any other organisation, company or body deemed by the Board to be in direct competition with the business of the Society;
 - (h) 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 15(1)(b) having been satisfied;
 - (i) if he becomes prohibited by law from being a Board Member;
 - (j) if he contravenes rule 20(1) by knowingly or recklessly failing to declare an interest and the Board passes a resolution that he has vacated office.
- (2) The Chief Executive shall give not less than 14 clear days' notice in writing to all Board members of a meeting of the Board at which it is intended to move a resolution that a Board Member has vacated office. The notice shall set out the proposed resolution and, if all the requirements of this paragraph are not complied with, the resolution, even if passed, shall be of no effect. The provisions of rule 46 shall be deemed to apply to any such notice.

24. FILLING OF CASUAL VACANCIES.

- (1) In the case of any vacancy not occasioned by the retirement of any Board Member by rotation the Board may at any time, and from time to time, appoint an individual as a Board Member to fill such a vacancy.
- (2) If the Board resolves to increase the number of Members of the Board within the limitations prescribed by rule 14(1), the Board may appoint an individual as an additional Member in order to fill any vacancy.
- (3) The Board shall appoint under this rule only an individual who-
 - (a) appears to it to be fit and proper to be a Member, and
 - (b) is qualified under rule 15(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 Board 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 Board Member appointed under this rule and retiring under paragraph (4) above shall be eligible for election without nomination, provided that he is qualified under rule 15(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 Board Member for the purposes of rule 25(3).
- (6) Notwithstanding any vacancies on the Board, the remaining Board Members may continue to act. If at any time the number of Board Members falls below the minimum of 7 prescribed by rule 14, the Board so constituted, although its Members are insufficient to form a quorum, may act by a majority of its Members for a maximum period of 12 months but the Chairman shall, notwithstanding any regulation under rule 14(4)(c) not have a second or casting vote.

25. RETIREMENT BY ROTATION

- (1) In addition to any Board Member retiring under rule 23(1)(h) or 24(4) one third of all the Members of the Board shall retire annually, but each shall be eligible for re-election provided that he is qualified under rule 15(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.
- (2) Elections of Board Members shall be held at Annual General Meetings. If at such a meeting there is a contest for the office of Board Member in that the number of candidates for election or re-election to the Board (including Board Members retiring under this rule and rule 24(4)) exceeds the number of vacancies thereon, the vacancies shall be filled by those candidates obtaining the most votes. The vote shall be taken on a poll, which shall be deemed to have been demanded by the Chairman. The following provisions of the rules shall apply to such poll:
 - (i) the voting papers shall include the number of vacancies on the Board and the full names of all the candidates;
 - (ii) subject to paragraph (i) above, the Board may prescribe or approve the form of the voting paper.
 - (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 to him by (v) above.
- (3) If at an Annual General meeting there is no contest for the office of Board Member, then
 - (a) any member both eligible for election and nominated under either paragraph (1) or (4) of rule 15 shall be deemed to have been elected, and
 - (b) any retiring Board Member offering himself for election or re-election who is qualified under rule 15(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 Board Member, of which notice has been given under rule 29(7)(b), shall be passed by a majority of the votes cast on a poll.

26. PENSION AND OTHER SCHEMES AND FUNDS.

- (1) In this rule the term "Officers" excludes any Board Member who does not hold or has not held any executive position in the Society in addition to that of Board Member.
- (2) The Board may from the Society's resources and on such terms as it thinks fit provide, establish, maintain and administer pension, life assurance, sickness, annuity and other funds or schemes (whether contributory or not) for the benefit of:
 - (a) past, present or future Officers and employees of the Society;
 - (b) past and present Officers and employees of any society with which the Society merges in the future;
 - (c) the spouses, children and dependants of persons referred to in sub-paragraphs (a) or (b) hereof.
- (3) In addition to the powers aforesaid the Board may grant on such terms as it thinks fit other pensions, allowances, gratuities, donations and bonuses to or for the benefit of:
 - (a) past or present Officers and employees of the Society;
 - (b) past Officers and employees of a society with which the Society has merged;
 - (c) any spouses, children or dependants of such Officers and employees mentioned in (a) or (b) hereof.

- (4) The Board may make, vary and revoke the rules of any such fund or scheme as is mentioned in paragraph (2) (to such extent as this power is not thereby prohibited, or is found permissible) and may constitute any trust and may from time to time at its discretion exercise any powers reserved to the Society by the terms of any trust constituted by the Society including the power of modifying or discontinuing the terms of any such trust or any rules or regulations that may be or may have been made pursuant thereto.

27. ANNUAL GENERAL MEETINGS.

- (1) The Society shall hold an Annual General Meeting in each financial year, during the same week and at the same place as the annual conference of the National Association of Schoolmasters and the Union of Women Teachers. If for any reason this venue is not considered by the Board to be practicable then the Meeting shall be held at such hour, date and place as the Board shall determine.
- (2) Not more than 15 months shall elapse between the date of one Annual General Meeting and that of the next.
- (3) The Board shall lay before the Members at the Annual General Meeting the Annual Accounts of the Society for the last financial year before the date of that meeting, and shall also submit to them a report by the Board (called in these Rules "the Board's Report") on the business of the Society, which Board's Report shall include the information required by or under the Act and details of any bonuses determined by the Board in accordance with rule 7.
- (4) ~~A copy of the Annual Accounts shall be sent to each member who would be eligible to vote at the Annual General Meeting together with the notice of the Annual General Meeting.~~ *On request a copy of the Annual Accounts shall be sent to each member who would be eligible to vote at the Annual General Meeting.*
- (5) In these Rules "Annual Accounts" means the classes of document (including the notes to them) which the Society is required (unless otherwise exempted) by or under the Act to prepare by way of accounts for itself.
- (6) The report of the auditors on -
(a) the Annual Accounts laid before the Annual General Meeting, and
(b) the Board'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 Board's Report submitted to the meeting;
(c) the report of the auditors on the documents listed in (a) and (b) above;
(d) the election and re-election of Board members;
(e) the appointment or re-appointment of auditors;
(f) a motion for a resolution contained in a Members' Notice received by the Society in accordance with the provisions of rule 29; and
(g) business (including a motion for a resolution, whether special or ordinary, or a motion to add to, alter or rescind any of the rules) brought before the meeting by the Board.

28. SPECIAL GENERAL MEETINGS

- (1) All general meetings other than Annual General Meetings shall be called special general meetings.
- (2) The Board may, whenever it thinks fit, convene a special general meeting.
- (3) The Board shall convene a special general meeting on the requisition of not less than 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 Board Member) and shall be signed by the requisitioners and deposited at the Registered Office.
- (4) If the Board does not within 42 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 77 days after that date, the requisitioners or any proportion of them exceeding one-half may themselves convene a special general meeting. Any meeting so convened shall not be held after the expiration of five months from the date of the deposit of the sole or last requisition. The meeting so convened by the requisitioners shall be convened in the same manner, as nearly as possible, as that in which meetings are convened by the Board and notices shall be sent by post to those persons entitled under rule 29(5). Any reasonable expenses incurred by the requisitioners by reason of the failure of the Board duly to convene a meeting shall be paid to those requisitioners by the Society. Any sum so paid shall be recovered by the Society from the defaulting members of the Board (whether by way of retention of fees or other remuneration in respect of services, or otherwise). The Board or, as the case may be, the requisitioners, shall give the members notice of any resolution the requisitioners propose to move at the meeting at the same time and in the same manner as notice is given of the meeting.
- (5) No business shall be entertained at any special general meeting except such as shall be stated in the notice convening the meeting.
- (6) Except where the requisitioners themselves convene a special general meeting under paragraph (4) of this rule, special general meetings shall be held at such hour, date and place as the Board shall determine.
- (7) A member shall be qualified for the purpose 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.

29. NOTICE OF MEETINGS

- (1) At least 14 days' notice, expiring on the final date for the receipt of proxies under rule 34, 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 Board, unless the nomination has been made too late for his candidature to be included in, or to accompany, the notice.
- (3) In the case of special resolution(s) 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 on the special resolution(s); 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) Notice of a meeting shall be sent to every member who would be eligible to vote at the meeting if the meeting were held on the date of the notice.
- ~~(6) Notice of all general meetings shall be advertised in at least two of the educational papers.~~
- (7) 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.
- (8) If the Society receives a Members' Notice, (subject to paragraphs (9) and (10) below) the Board shall:-
- (a) include in the notice of the Annual General Meeting a notice specifying the intention of those members moving it to have the resolution moved on their behalf at that meeting and, if applicable, the intention to move it as a special resolution and
 - (b) at the request of the members intending to have the resolution moved on their behalf, include in the notices 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.
- (9) The Board shall be under no duty:-
- (a) to include a Member's Notice in the notice of the Annual General Meeting or
 - (b) to send to members such a statement as is mentioned in paragraph (8)(b) above if:-
 - (i) the Members' Notice (or the last of the documents sufficient to enable it to comply with the requirements of paragraph 7(b) above) and, if submitted, any statement given (of the kind mentioned in paragraph 8(b) above) are given to or lodged with the Society later than the last day of the financial year preceding that in which the Annual General Meeting at which it is intended to move the resolution is held; or
 - (ii) the resolution specified in the Members' Notice and, if lodged, any such statement does not relate directly to the affairs of the Society; or
 - (iii) publicity for the resolution specified in the Members' Notice or, as the case may be, the statement would be likely to diminish substantially the confidence of investing members of the public in the Society; or
 - (iv) the rights conferred by paragraph (8) above are being abused to seek needless publicity for defamatory matter or for frivolous or vexatious purposes; or
 - (v) the resolution specified in the Members' Notice is in substantially the same terms as any resolution that has been defeated at a meeting during the period 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 (7)(b) above) is given to the Society.
- (10) If it is not practicable for any reason to include in the notices of the Annual General Meeting a notice given by members in accordance with paragraph (7)(b) above, the notice so given together with any statement lodged in accordance with that paragraph shall be sent with the notice of that meeting. If, however, that is not practicable, the notice so given and any statement so lodged shall be sent as soon as practicable after the despatch of the notice of that meeting.
- (11) A notice of a meeting shall be given by the Society by sending it by post to the registered address of the member and in this paragraph and in paragraphs (12) to (14) below the term 'notice' includes any such notice given or statement lodged by members as is required to be sent by paragraph (7)(b) above.
- (12) 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.
- (13) 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.
- (14) The accidental omission to send a notice of a meeting to, or the non-receipt of a notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

30. 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 20 members present or represented and entitled to vote.
- (2) If no quorum shall be present within half an hour after the time appointed for the Annual General Meeting or special general meeting, or if during such meeting a quorum ceases to be present, the Chairman of the meeting shall adjourn it to such hour, date and place as he shall direct, unless it is a special general meeting requisitioned under rule 28(3) or (4) whereupon the Chairman of the meeting shall dissolve it.

31. PROCEDURES AT GENERAL MEETINGS

- (1) The Chairman of the Board (or, in his absence, the Vice-Chairman of the Board) will preside at every general meeting of the Society. If there is no such Chairman or Vice-Chairman or if neither the Chairman nor the Vice-Chairman is present within fifteen minutes after the time appointed for the meeting or if both the Chairman and the Vice-Chairman are unwilling to act, the Board members present shall elect one of their number to be Chairman of the meeting. If at any meeting no Board member is willing to act as Chairman, or if no Board member is present within fifteen minutes after the time appointed for the meeting, the members present and entitled under rule 29 above to be included in the quorum for the meeting shall choose one of their number who is present to be the Chairman of the meeting.
- (2) The Chairman of the meeting may, notwithstanding the presence of a quorum (and shall, if so directed by a resolution of the meeting), adjourn the meeting from time to time and from place to place, but except as provided in paragraph (10) of this rule no business shall be transacted at any adjourned meeting other than the business left unfinished or not reached at the meeting from which the adjournment took place.
- (3) Every adjourned meeting shall be deemed a continuation of the original meeting and any resolution passed at an adjourned meeting shall for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

- (4) When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting but otherwise it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- (5) Subject to the Act and these rules every question submitted to an Annual General Meeting or special general meeting shall be decided by a simple majority and such votes be taken in the first instance by a show of hands.
- (6) A poll may (before or on the declaration of the results of the show of hands) be demanded by:-
 - (a) the Chairman of the meeting, or
 - (b) 20 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 32(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 Board or auditor, a poll shall be deemed to have been demanded by the Chairman.
- (9) Except in the case of a motion for a special resolution or of a contest for the office or appointment of a Board 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 any 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 for a poll shall be valid only if they are issued by the Society.

32. 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 the rules) shall have one vote, and when the votes are equal the presiding officer shall have an additional or casting vote.
- (2) The holder of a power of attorney from a person who is a member and who is entitled to vote under paragraph (1) above shall, if the power of attorney is duly registered at the Registered Office and if the power has the effect of authorising the holder to exercise the rights of the member under the rules, be entitled to vote in all circumstances as if he were a member and in the member's stead but he shall not be entitled to appoint a proxy or an attorney.
- (3) A member who is entitled to vote under paragraph (1) above, and in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may ~~not~~ vote, by his receiver, curator bonis or other representative in that behalf appointed by that court. And such receiver, curator bonis or other representative may vote either on a show of hands or on a poll, and if on a poll, may vote by proxy. Evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote shall be deposited at the Registered Office not less than 2 clear days before the day appointed for holding the meeting or adjourned meeting, at which the right to vote is to be exercised, and in default, the right to vote shall not be exercisable.
- (4) The right to vote shall be limited to those persons on whom this rule confers a right to vote (subject to rule 34).

33. POSTAL BALLOTS

- (1) Where a postal ballot is to take place, the following provisions of this rule have effect.
- (2) Notice of a postal ballot shall be given not less than 14 nor more than 56 days before the date which the Society specifies as the final date for the receipt of completed ballot papers (referred to in this paragraph as 'the voting date')
- (3) subject to the provisions of this Act, notice of a postal ballot shall be given to every member of the Society who would be entitled to vote in the election or on the resolution if the voting date for the election or the resolution fell on the date of the notice.
- (4) Notice of a postal ballot:-
 - (a) shall contain such other notices relating to the election or resolution; and
 - (b) shall be accompanied by such other documents,
 as would be required to be given or sent to a member in connection with the election or resolution had it been intended to hold the election or vote on the resolution at a meeting instead of by postal ballot with the exception, however, of any notice relating to voting by proxy at a meeting.

34. 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 the following form or a form as near thereto as circumstances admit:-

'Schoolteachers Friendly Society'

I.....

of.....

The Chief Executive shall, unless on application the court directs otherwise, also inform the members of any representations made by the person proposed to be removed or, as the case may be, the retiring auditor, and shall make copies of the representations available at the meeting at which the resolution is to be moved.

- (6) Where the Society receives from an auditor a written notice of his resignation of office, the Chief Executive shall, within 14 days, send a copy of that notice to the 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 Chief Executive shall unless on application the court directs otherwise, send a copy of such statement to the members.
- (8) Where the auditor, with a notice referred to in para (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 Chief Executive shall within 21 days convene such a meeting for a day not more than 28 days after the date on which notice of the meeting is given and the Society will, unless on application the Court directs otherwise, comply with the requirements set out in paragraph 13 of Schedule 14 to the 1992 Act.

38. ACTUARY AND VALUATIONS

- (1) The Society shall have an actuary who shall be appointed and whose appointment may be terminated by the Board. The Board shall notify the Commission of all appointments and changes.
- (2) The Board shall arrange for the actuary to conduct an investigation and report accordingly into the financial condition of the Society in respect of its long term business, in accordance with the 1992 Act.
- (3) The Society shall keep adequate records to enable the actuary to conduct such an investigation.

39. APPLICATION OF FUNDS

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

40. INVESTMENT OF FUNDS

So much of the funds of the Society, as may not be wanted either for immediate use, or to meet the usual accruing liabilities, shall with the consent of the Board or of a majority of the members of the Society present and entitled to vote in general meeting, and where appropriate, with the approval of the actuary, be invested by the trustee 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 the trustee is for the time being by law authorised to invest trust funds.

41. HOLDING OF LAND

The Society may acquire and hold land for the purpose of carrying on any of its activities in the names of its trustee 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 trustee to dispose of or deal with land;
- (b) the receipt of the trustee shall be a discharge for all sums of money arising from, or in connection with, the disposal of or other dealing with land.

42. REPRESENTATION

- (1) ~~The Board shall have the power to appoint Local Secretaries and Appointed Representatives, all of whom must be members of the Society. The Board shall have the power to appoint representatives, to be known as Local Secretaries, Appointed Representatives, Introducers or such other titles as the Board may decide. All Local Secretaries and Appointed Representatives must be members of the Society.~~
- (2) Each applicant for ~~the posts of Local Secretary and Appointed Representative~~ any of the positions of representative must complete an application form provided by the Board.
- (3) The Board may remove or discharge any ~~Local Secretary or Appointed Representative~~ representative.
- (4) The Board shall fix the amount of remuneration and approve expenses to be paid to ~~Local Secretaries and Appointed Representatives~~ representatives.
- (5) ~~Local Secretaries and Appointed Representatives~~ Representatives may only act on behalf of the Society in respect of the products for which they are authorised in writing.
- (6) Each Local Secretary may with the approval of the Board, appoint a local committee of not less than 3 nor more than 9 members to assist him in his duties.
- (7) ~~Local Secretaries and Appointed Representatives~~ All representatives will at all times act under the direction of the Board and in accordance with the procedures in the Society's Compliance and Procedures Manual, as varied from time to time.

43. DUTIES OF A LOCAL SECRETARY

It is the duty of each Local Secretary to:

- (1) Publicise the product(s) of the Society ~~which he is authorised to advise upon and sell in the manner for which he is authorised;~~
- (2) Make arrangements for receiving applications for admissions and increases, examining same and forwarding them to the Registered Office of the Society;
- (3) Receive contributions, fines, deposits, and other payments due direct from members and to forward these to the Registered Office of the Society within one month;
- (4) Arrange visits to sick members and where appropriate to report on their cases to the Board;
- (5) Deal expeditiously with all correspondence and to forward sickness income cheques to members immediately on receipt;
- (6) Transact such other business as may be required of them from time to time by the Board.

44. DUTIES OF AN APPOINTED REPRESENTATIVE

It is the duty of each Appointed Representative to:

- (1) Publicise the product(s) of the Society ~~which he is authorised to advise upon and sell in the manner for which he is authorised ;~~
- (2) Make arrangements for receiving applications for admissions and increases, examining same and forwarding them to the Registered Office of the Society;
- (3) Deal expeditiously with all correspondence relating to the Society's business;
- (4) Transact such other business as may be required of them from time to time by the Board.

45. DISPUTES

- (1) If any dispute shall arise between a member or person claiming through a member or under the rules, or any person aggrieved who has ceased to be a member, or any person claiming through such person aggrieved, and the Society, or any Officer of the Society, it shall be decided by reference to arbitration, under the conditions set out at paragraph (2) of this rule.
- (2) Three arbitrators shall be elected at a general meeting, none of them being directly or indirectly interested in the funds of the Society, and any vacancy or vacancies shall be filled at a general meeting.
- (3) In default of determination under paragraph (2) above and on 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.

46. COMPLAINTS

- (1) As an alternative or prior to declaring that a dispute has arisen and invoking the Disputes Procedure under Rule 45 any member entitled so to do may make a ~~written~~ complaint to the Chief Executive or if the complaint concerns the Chief Executive or any act or decision of the Chief Executive, to the Chairman or vice chairman of the Society.
- (2) On receipt of such a complaint the person to whom it is addressed shall seek to discuss the issue, by telephone or at a meeting, with the complainant with a view to explaining or resolving the issue.
- (3) If not satisfied with the outcome of such discussion the complainant may within 30 days call for a conciliation meeting with the addressee of the complaint to be attended also by another officer of the Society and if the complainant so chooses by not more than two lay or professional persons invited by the complainant (not necessarily being members of the Society).
- (4) Following the conversation or meeting at (2) above and following any conciliation meeting the complainant shall receive a written report from the Society on the complaint and the steps, if any, intended to be taken in response.
- (5) If at any stage during or within 30 days after the completion of the above Complaints Procedure the complainant chooses to declare that a dispute has arisen so as to invoke the Disputes Procedure, the Complaints Procedure shall be discontinued and all documents thereunder shall be produced to the body which is to decide the dispute.

47. VOLUNTARY DISSOLUTION

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

48. 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.

49. TRUSTEES

- (1) The sole trustee of the Society shall be a body corporate known as Camelot Trustee Company Limited. The Annual General Meeting or special general meeting may appoint or remove the body corporate by a resolution of a majority of the members present and entitled to vote thereat. A copy of such resolution sealed by or signed for on behalf of the corporate trustee shall be sent within 14 days by the Secretary to the Registrar of Friendly Societies in the form prescribed by the Treasury Regulations and every resolution appointing or removing a corporate trustee shall be entered on the minutes of the meeting at which it is appointed or removed.
- (2) All the property and investment belonging to the Society shall be vested in the sole corporate trustee. All the expenses of formation, incorporation as management of the body corporate appointed as sole corporate trustee shall be borne by the Society.
- (3) All deeds, documents of title and securities for money shall be held by the trustee, which shall take such measures for the safe custody and preservation thereof at the expense of the society as it may think fit, and it shall be responsible for the safe custody of all such deeds, documents and securities as are placed in its 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 Board.
- (4) *Notwithstanding this paragraph 49 the trustee may appoint a nominee to hold some or any of the property and investments belonging to the society.*

50. 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.

51. COPIES OF RULES

The Chief Executive 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.

52. AMENDMENT OF RULES

- (1) Rules 1. Name, 3. Purposes, 4. Membership, and 52. Amendment of rules, are Fundamental Rules. No alteration may be made in the Fundamental Rules, nor may they be rescinded except by a majority composed of the votes of seven-tenths of the members present and voting at a General Meeting called for the purpose or by the same majority should a ballot of members be taken.
- (2) The Society may change its registered office by resolution of the Board. Notice of the change shall be sent to the Central Office in the prescribed form within 3 months.

- (3) All rules other than the Fundamental Rules and rule 2. Registered Office, may be amended by adding, rescinding or varying any provision by 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.
- (4) Copies of a record of every alteration to the Society's rules shall be sent to the Central Office for registration within the time scale allowed.
- (5) No amendment of the Society's rules shall take effect until it is registered or such later date as is specified in the record of alteration.
- (6) The Society may change its name in accordance with the above provisions for the registration of an amendment of its Fundamental rules.

53. APPLICABLE LAW

Subject to the mandatory requirements of the law of a member state of the European Union, 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.

54. FRIENDLY SOCIETIES PROTECTION SCHEME

~~The Board may subscribe in the name of the Society to any scheme made under arrangements entered into between the Society and other friendly societies and approved by the Friendly Societies Commission under section 141 of the Financial Services Act 1986 for the purpose of making funds available to meet losses incurred by any society which is a party to the arrangements or by the members of any such society by virtue of their membership of it and shall, in the event of such subscription being made:~~

- ~~(i) bind the assets of the Society to pay out of such fund or funds of the Society as the Board shall determine any sums required by the rules of the scheme;~~
- ~~(ii) nominate from time to time a person to represent the Society as a member of any company or association formed to administer such scheme;~~
- ~~(iii) indemnify out of the fund or funds of the Society as aforesaid such nominee against any expenses or subscriptions of such membership; and~~
- ~~(iv) comply with any other duties or obligations of membership of such scheme.~~

54. FINANCIAL SERVICES COMPENSATION SCHEME

The Board will subscribe in the name of the Society to the Financial Services Compensation Scheme for the purpose of making funds available to meet authorised management expenses and compensation levies within the rules of the scheme, and shall, in the event of such levies being made:

- (i) bind the assets of the Society to pay out of such funds of the Society as the Board shall determine any sums required by the rules of the scheme*
- (ii) comply with any other duties or obligations of membership of such a scheme.*

55. PRODUCTS AND BENEFITS

Subject to the approval of the Actuary, the Board of Management may:

- a) Introduce new products and tables of benefit*
- b) Amend existing products and tables of benefit*
- c) Close existing products and tables of benefits to new business*
- d) Vary the conditions under which existing products and tables of benefits may be operated*

and to consequentially amend the rules of the Society subject to confirmation by the Annual General Meeting of the Society. If approved by a majority at such meeting the amendments shall continue to have effect and any such decisions shall be registered as an amendment to the current rule. If not so approved it shall cease to be operated forthwith but without prejudice to any insurance effected under any amendment made by the Board of Management of the Society.

Provided that:

- a) the interest of existing members of the Society are not thereby adversely affected or prejudiced, and*
- b) the Board of Management in exercising the power granted by this rule is not inconsistent with these rules nor in breach of The Act.*

Appendix A

Rules and Conditions of the Sickness Income Plan of The Schoolteachers Friendly Society

A1. ELIGIBILITY

- ~~(1) The only persons eligible to become members of the Sickness Income Plan shall be members of the teaching profession, including student teachers, as approved by the Board.~~
- ~~(1) The only persons eligible to become members of the Sickness Income Plan shall be:~~
- ~~(a) members of the teaching profession (including student teachers) and their spouses~~
 - ~~(b) members of the staff of The Schoolteachers Friendly Society~~
 - ~~(c) clerical, administrative and ancillary staff directly involved in education as approved by the Board.~~
- (1) Any person aged five and over may, at the discretion of the Board be admitted as a member of the Sickness Income Plan. Members of the Sickness Income Plan under the age of 18 and not in employment shall be known as 'child members'.
- (2) Each applicant shall give such proof of age as the Board shall think fit and shall if required produce a certificate of health from a duly qualified medical practitioner.
- (3) No person shall be admitted to membership of the Sickness Income Plan after having reached ~~sixty~~ sixty five years of age.
- (4) Child members reaching the age of 18 or engaging in employment, whichever is the earlier must leave the Sickness Income Plan without penalty unless they are offered and accept continued membership.

A2. CLASSIFICATION OF MEMBERS OF THE SICKNESS INCOME PLAN

- (1) The classification of a member shall be decided by the Board. A member in good health and sound constitution is, on admission, placed in one of the following classes, according to age:
- | | |
|---|---------|
| Under 35 years of age. | Class A |
| 35 years and under 45 years | Class B |
| 45 years and under 50 years | Class C |
| 50 years and under 65 70 years | Class D |
- A member who is placed in Class B, C, or D, for any reason other than age, shall have the right to appeal to the Board for re-classification.
- (2) The monthly contributions of a member shall be due on the first day of the month after the application for admission is accepted, and on the first day in every successive month. All contributions for any year must be paid before December 15th of that year.
- (3) Every member must make a monthly payment to the Common Sick Fund of the amount to which he is entitled daily in sickness. After seventy years of age all contributions and sickness income shall cease.
- (4) Every member, on admission, shall fix the sum to be drawn daily in sickness income. It must not be less than ~~£40.00~~ £4.00 and must be in multiples of £2.00 to a maximum of such sum not exceeding £100.00 as may be decided by the members at the Annual General Meeting. *A separate lower maximum amount may be decided upon by the Board of Management for child members.* Should the member wish to reduce this sum within these limits he may do so at any time by notifying his Local Secretary or the Chief Executive. Should the member desire to increase the sum, he must make application on the appropriate form and if deemed necessary by the Board, must agree to be examined by a duly qualified medical practitioner.
- (5) Each alteration shall be recorded in the Registered Office of the Society and notified to the member. The alteration shall in every case date from the first day of the month after which the application is accepted. However, a member who has increased his contributions shall not be entitled to sickness income at the increased rate until after the expiration of six calendar months from the date upon which such increase has been granted. No member shall increase his sickness income after having reached ~~sixty~~ ~~five~~ sixty nine years of age.

A3. MEMBER'S FUND

The contributions of members of the Sickness Income Plan shall be paid into one Common Fund, from which part of the expenses of sickness income shall be defrayed. The balance of the Common Fund at the end of the year, after making provision for meeting expenses, reserves and all sickness income claims upon the Society existing at the time of the division, shall be placed to the credit of each member in proportion to the amount of his contributions for the year. This shall constitute the Member's Fund.

A4. WITHDRAWALS FROM THE MEMBER'S FUND

- (1) A member *other than a child member* may at any time withdraw any part of his Member's Fund by giving a week's notice in writing to the Chief Executive direct or through his Local Secretary, provided that a sum equal to the contributions payable by him to the Common Sick Fund during the previous two years shall remain in the Member's Fund. *A child member may withdraw 25% of his Member's Fund without penalty upon reaching 11 years of age, and may withdraw the whole of his Member's Fund without penalty upon reaching the age of 18 or upon engaging in employment, whichever is the earlier.'*
- (2) The Board is entitled to reduce the amount required to remain in a Member's Fund by virtue of paragraph (1) above, if in the opinion of the Board the circumstances of a member warrant compassionate treatment.
- (3) A member leaving the Sickness Income Plan may withdraw the whole of his Fund less a sum equal to the contributions payable by him to the Common Sick Fund during the previous ~~twelve months~~ *forty-eight months, or such lesser period which the Board shall determine from time to time*, which sum shall be retained and forfeited to the Society, but a member may withdraw the whole of his Fund upon attaining seventy years of age or upon ~~leaving the teaching profession~~ *upon retirement*.

A5. DEPOSIT ACCOUNT

- (1) Each member of the Sickness Income Plan is entitled to open a Deposit Account with the Society.
- (2) A member may pay into his Deposit Account in any one year an amount not exceeding four times his annual contribution to the Sickness Income Plan.
- (3) For the purpose of rule A3 (Member's Fund) a member may extend his entitlement to sickness income when his Member's Fund is exhausted by using money in his Deposit Account as follows:

- (i) in the case of a member having joined the Sickness Income Plan under fifty years of age only an amount equal to two years' normal contributions may rank as part of his Member's Fund, and
- (ii) in the case of a member having joined the Sickness Income Plan after reaching fifty years of age only an amount equal to one year's normal contribution may rank as part of his Member's Fund, and
- (iii) no part of any Deposit shall rank as part of the Member's Fund under rule A3, if such deposit is made
 - (a) while the member is receiving sickness income from the Common Sick Fund or
 - (b) after the member has reached ~~sixty five~~ *seventy* years of age or
 - (c) during the next three months after the discontinuance of sickness income unless the member has provided the Board with a medical certificate stating that he has recovered from the complaint, disease or injury which entitled him to receive sickness income.
- (4) The benefits provided by sub-section (3) of this rule will apply only
 - (i) once in any calendar year, and
 - (ii) once in relation to any one illness.

A6. WITHDRAWALS FROM DEPOSIT ACCOUNTS

A member may at any time withdraw any sum from his own Deposit Account by giving a week's notice to the Chief Executive direct or through his Local Secretary.

A7. RECORD OF PAYMENT

Members' records shall be maintained at the Registered Office of the Society. Each member shall receive before the Annual General Meeting a statement of his Member's Fund and Deposit account as at 31st December of the preceding year.

A8. MANAGEMENT FUND

Every member shall in addition to the monthly contribution under rule 2(3) pay to the Management Fund a fee not exceeding £24 per annum as may be decided by the members at the Annual General Meeting.

A9. ARREARS

- (1) All payments in arrears on December 15th shall be deducted from the Member's Fund unless the Member's Fund does not exceed one year's contribution to the Common Sick Fund in which case such member (subject to an appeal to the Board which must be made within three months) shall cease to be a member of the Sickness Income Plan, and the amount in Member's Fund shall be forfeited to the Society. In the event of excess over one year's contributions not permitting the deduction, only such part shall be deducted as will leave an amount equal to one year's contributions.
- (2) No member who is more than one month in arrears shall be entitled to claim or receive any sickness income from the Society until one week after all arrears and fines have been fully paid up.

A10. FINES

If the Sickness Income Plan contributions of any member be more than eleven months in arrears on 15th December, rule A9 (1) shall apply and a fine of £5 shall be paid and the member shall be out of benefit as provided in rule A9 (2). If the contributions and fines remain unpaid for twelve successive months, he shall, subject to an appeal to the Board to be made within three months afterwards, forfeit all claim to the benefits for which such contributions are due.

A11. DISPOSAL OF FINES

All moneys arising from fines and forfeits shall be placed to the credit of the Management Fund Account (rule A8.)

A12. NOTIFICATION OF INCAPACITY

- (1) When a member is ~~incapable of rendering professional duties~~ *incapacitated* through sickness or accident, notice shall be given to the Society, direct or via his Local Secretary on the claim form provided, accompanied by original, not photocopied, medical evidence *certifying that they cannot attend to their usual work, or usual activities, or attend school*, signed by a duly qualified medical practitioner in attendance on the member.
- (2) Whilst on sickness income, every member shall furnish evidence of incapacity at intervals or in such manner as shall be decided by the Board.
- (3) Payment of any fee levied by a medical practitioner for the supply of certification in connection with the claim, is the responsibility of the member.
- (4) The Society reserves the right to employ a registered medical adviser appointed or approved by the Board to validate the evidence required per sub-paragraph (1) above.
- (5) Claims in respect of incapacity which occurred more than 6 months prior to notification of the claim to the Society will only be entertained at the discretion of the Board.

A13. COMMENCEMENT OF SICKNESS INCOME

Sickness income shall commence from the date of incapacity as declared by the member and certified on the Medical Certificate, and shall be payable at least monthly by the Board, provided all Medical Certificates have been duly received up to and including the expiry date of the last Medical Certificate. *In the case of child members, sickness benefit will be paid to the child's parent or guardian.*

A14. CONDITIONS FOR RECEIVING SICKNESS INCOME

Sickness income shall not be due to any member (subject to the discretion of the Board otherwise to determine)

- i) while contributions for the previous month have not been paid; nor while fines or other payments are in arrears.
- ii) while the member is suffering from any disease or infirmity, a knowledge of which was concealed at the time of the member's admission into the Society or to the Sickness Income Plan or at the time of subsequent increases in contributions.
- iii) while the member is suffering from any disease, infirmity or injury which may have been caused or contracted by profligacy, quarrelling, drunkenness or any act whatsoever contrary to law; nor which is attributable to addiction to alcohol, narcotics or controlled drugs (other than those lawfully prescribed by a medical practitioner) as listed in the Mis-use of Drugs Regulations 1971 and 1973 or any Acts or Regulations amending or substituted for them and for the time being in force.
- iv) while the member is confined in any prison.

- v) as a result of any operation or treatment not medically certified to be necessary for the member's health.
- vi) as a result of or arising from a member's pregnancy, abortion or vasectomy. *This exclusion does not exclude claims arising from complications of pregnancy, legal abortion or vasectomy diagnosed by a doctor or consultant specialising in these conditions.*
- vii) as a result of or arising from any condition specifically excluded from cover for that member.

A15. CONDUCT DURING INCAPACITY

Any member who, while receiving sickness income, shall refuse to answer any questions respecting health or employment put by

- (i) any Officer of the Society, or by
- (ii) any other person deputed by the Board to put such questions,

or

shall do any work *or attend school* whilst claiming sickness income,

or

by any wilful act or misconduct shall prevent or delay the recovery of health,

shall forfeit all further claim to sickness income during that illness for a period not exceeding one year.

A16. TITLE TO AND DURATION OF SICKNESS INCOME

- (1) A member is entitled to sickness income after having paid his contributions to the Common Sick Fund and created a Member's Fund as defined in rule A3. ~~sickness~~ Sickness income shall be provided for partly from the Common Sick Fund and partly from the Member's Fund in certain proportions, depending on the Class-A,B,C,or D, to which the member belongs, namely, a member in Class A shall draw from his own Fund one-fourth; in Class B, one-third; in Class C, one-half; and in class D, two-thirds of this allowance.
- (2) Should a Member's Fund be exhausted so that the member is unable to provide his proportion of sickness income (rules A3 and A5) he shall have no further claim on the Sickness Income Plan until another Fund has been established in accordance with the rules.
- (3) The Board is entitled at its discretion to make ex gratia payments to any member whose Member's Fund is exhausted through sickness, who remains certifiably sick and whose circumstances in the opinion of the Board warrant compassionate treatment.

A17. PAYMENTS AT DEATH

On death, the whole of the Member's Fund, or that part allowable by law, without any deduction except necessary expenses, shall be paid to the nominee or person or persons who are entitled to the same.

A18. CERTIFICATES OF DEATH

No money shall be paid (except as provided by the Act) upon the death of a member or other person whose death is or ought to be entered in any register of deaths, except upon the production either of a certificate of that death under the hand of the Registrar of Deaths or other person having care of the registrar of deaths in which that death is or ought to be entered or, ~~except in a case falling within Section 63 of the Friendly Societies Act, 1896,~~ of the grant of probate to the will of the member or other person or of letters of administration to his estate or of a certificate of confirmation to his estate.

A19. SURPLUS FUND

~~All other moneys which shall remain over, after providing for all claims upon the Society, arising from the cover provided by the Sickness Income Plan shall constitute a Surplus Fund which shall be at the disposal of the Board, for the assistance of the Management and Common Sick Funds, and to provide allocation at such rate as the Board shall decide on each Member's Fund account,~~

~~by which is meant-~~

- ~~(a) the balance on the Member's Fund account at 31st December last (exclusive of Member's Fund for the current year), and~~
- ~~(b) the average amount, if any, on his deposit account during the year.~~

~~All other moneys which shall remain over, after providing for unpaid contributions, fines, apportionment, and all claims upon the Society arising from the cover provided by the Sickness Income Plan shall constitute a Surplus Fund which shall be at the disposal of the Board, for the assistance of the Management and Common Sick Funds, and to provide allocation at such rate as the Board shall decide:-~~

- ~~(a) on each Member's Fund account, by which is meant the balance in the Member's Fund account at 31st December last (exclusive of Member's Fund for the current year), and~~
- ~~(b) on each member's Deposit Account, by which is meant the balance, if any, in the member's Deposit Account at the end of each month during the year.~~

Appendix B

Rules and conditions of the Tax Free Investment Policy of

The Schoolteachers Friendly Society

B1. ELIGIBILITY

Any person eligible for membership of the Society and under age 62 can become a Tax Free Investment Policyholder.

B2. BASIS OF THE CONTRACT

The applicant's proposal form shall be the basis of the contract between the applicant and the Society.

B3. MEDICAL EXAMINATION

Applicants in good health will not normally be required to undergo a medical examination, but where the Board so require, an applicant may be required to pass a medical examination by a registered medical practitioner appointed or approved by the Society, and paid for by the Society.

B4. PREMIUMS

The monthly premiums to be paid by each person will be as determined by the Board and publicised on the Application Form, and will be payable by Direct Debit.

B5. LIFE COVER

The amount of Life cover provided for each policyholder will be calculated using the following table, their age at inception of the policy, and the premium payable.

<u>TERM IN YEARS</u>	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
<u>AGE</u>																					
30	7.40	6.50	5.77	5.16	4.67	4.23	3.87	3.55	3.27	3.01	2.80	2.61	2.43	2.25	2.09	1.96	1.85	1.75	1.66	1.57	1.49
31	7.40	6.50	5.77	5.16	4.67	4.24	3.88	3.55	3.27	3.02	2.80	2.61	2.44	2.26	2.09	1.97	1.85	1.75	1.66	1.58	1.50
32	7.40	6.51	5.78	5.17	4.68	4.24	3.88	3.56	3.28	3.02	2.81	2.62	2.44	2.26	2.10	1.98	1.86	1.76	1.67	1.58	1.50
33	7.41	6.51	5.78	5.17	4.68	4.25	3.89	3.56	3.28	3.03	2.81	2.62	2.45	2.27	2.11	1.99	1.87	1.77	1.68	1.59	1.51
34	7.41	6.52	5.79	5.18	4.69	4.26	3.90	3.57	3.29	3.04	2.82	2.63	2.46	2.28	2.12	2.00	1.88	1.78	1.69	1.60	1.51
35	7.42	6.52	5.79	5.19	4.70	4.23	3.91	3.58	3.30	3.05	2.83	2.64	2.47	2.29	2.14	2.02	1.90	1.80	1.70	1.61	1.52
36	7.42	6.53	5.80	5.20	4.71	4.28	3.92	3.59	3.31	3.06	2.84	2.65	2.48	2.30	2.16	2.04	1.92	1.81	1.71	1.63	
37	7.43	6.53	5.80	5.21	4.72	4.30	3.93	3.60	3.32	3.07	2.85	2.66	2.49	2.32	2.18	2.05	1.94	1.83	1.73		
38	7.43	6.54	5.81	5.22	4.73	4.30	3.94	3.61	3.33	3.08	2.86	2.67	2.50	2.34	2.20	2.07	1.96	1.85			
39	7.44	6.55	5.82	5.23	4.74	4.31	3.95	3.62	3.34	3.10	2.88	2.69	2.52	2.36	2.22	2.09	1.98				
40	7.45	6.56	5.83	5.24	4.75	4.33	3.96	3.64	3.36	3.12	2.90	2.70	2.54	2.38	2.24	2.11					
41	7.46	6.57	5.84	5.26	4.77	4.35	3.98	3.66	3.38	3.14	2.92	2.72	2.55	2.40	2.26						
42	7.47	6.59	5.86	5.28	4.79	4.37	4.00	3.68	3.40	3.16	2.94	2.74	2.57	2.42							
43	7.49	6.61	5.88	5.30	4.81	4.39	4.02	3.70	3.43	3.18	2.96	2.77	2.60								
44	7.51	6.63	5.90	5.32	4.83	4.41	4.04	3.73	3.46	3.21	3.00	2.80									
45	7.53	6.66	5.92	5.34	4.85	4.43	4.07	3.76	3.49	3.24	3.02										
46	7.56	6.68	5.94	5.36	4.87	4.45	4.10	3.79	3.52	3.27											
47	7.59	6.70	5.98	5.40	4.90	4.48	4.13	3.82	3.55												
48	7.62	6.73	6.01	5.43	4.94	4.52	4.17	3.86													
49	7.65	6.76	6.04	5.47	4.98	4.57	4.21														
50	7.68	6.79	6.08	5.51	5.02	4.61															
51	7.72	6.83	6.12	5.55	5.06																
52	7.76	6.87	6.16	5.59																	
53	7.81	6.92	6.21																		
54	7.86	6.98																			
55	7.91																				
56	7.97																				
57	8.05																				
58	8.12																				
59	8.20																				
60	8.30																				

Premiums shown are per month for £1,000 Life Cover.

B6. ARREARS

Should any policyholder's premiums to this fund be two months in arrears during the first year of the policy, the assurance will be considered to have lapsed without value. Any subsequent surrender value to which the policyholder will be entitled will depend upon the bonuses added to the policy and the surrender basis in force at that time.

B7. EXPENSES

For the purpose of providing the necessary funds for management, 50% of the first year's premium and 10% of each subsequent year's premium shall be appropriated.

B8. BENEFIT

Benefit is payable on the maturity date or previous death of the life assured.

B9. CERTIFICATES OF DEATH

No money shall be paid (except as provided by the Act) upon the death of a member or other person whose death is or ought to be entered in any register of deaths, except upon the production either of a certificate of that death under the hand of the Registrar of Deaths or other person having care of the registrar of deaths in which that death is or ought to be entered or, except in a case falling within Section 63 of the Friendly Societies Act, 1896, of the grant of probate to the will of the member or other person or of letters of administration to his estate or of a certificate of confirmation to his estate.

B10. BONUSES

Reversionary and/or other forms of bonuses may be allocated to eligible policies. Such bonuses shall be determined from time to time by the Board of Management after considering the advice of the Actuary.

Appendix C

Rules and conditions of the Tax-Exempt Investment Policy (Series 2) of

The Schoolteachers Friendly Society

C1. ELIGIBILITY

Any person eligible for membership of the Society and under age 70 can become a Tax-Exempt Investment Policyholder.

C2. BASIS OF THE CONTRACT

The applicant's proposal form shall be the basis of the contract between the applicant and the Society.

C3. MEDICAL EXAMINATION

Applicants in good health will not normally be required to undergo a medical examination, but where the Board so require, an applicant may be required to pass a medical examination by a registered medical practitioner appointed or approved by the Society, and paid for by the Society.

C4. PREMIUMS

The monthly premiums to be paid by each person will be as determined by the Board and publicised on the Application Form, and will be payable by Direct Debit.

C5. LIFE COVER

The amount of Life cover provided for each policyholder will be calculated using the following table, their age at inception of the policy, and the premium payable:

Age next Birthday	Term in years																				
	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
30	8.65	7.70	6.92	6.26	5.71	5.24	4.82	4.46	4.14	3.86	3.61	3.39	3.18	3.00	2.83	2.68	2.54	2.41	2.30	2.19	2.09
31	8.66	7.70	6.92	6.27	5.71	5.24	4.83	4.47	4.15	3.87	3.62	3.39	3.19	3.01	2.84	2.69	2.55	2.42	2.31	2.20	2.10
32	8.66	7.71	6.93	6.27	5.72	5.24	4.83	4.47	4.16	3.88	3.62	3.40	3.20	3.02	2.85	2.70	2.56	2.44	2.32	2.22	2.12
33	8.66	7.71	6.93	6.28	5.72	5.25	4.84	4.48	4.16	3.88	3.63	3.41	3.21	3.03	2.86	2.71	2.57	2.45	2.33	2.23	2.13
34	8.67	7.72	6.94	6.28	5.73	5.26	4.85	4.49	4.17	3.89	3.64	3.42	3.22	3.04	2.87	2.72	2.59	2.46	2.35	2.25	2.15
35	8.67	7.72	6.94	6.29	5.74	5.27	4.86	4.50	4.18	3.90	3.65	3.43	3.23	3.05	2.89	2.74	2.60	2.48	2.37	2.27	2.17
36	8.68	7.73	6.95	6.30	5.75	5.27	4.87	4.51	4.19	3.91	3.67	3.45	3.25	3.07	2.90	2.76	2.62	2.50	2.39	2.29	
37	8.69	7.74	6.96	6.31	5.76	5.29	4.88	4.52	4.21	3.93	3.68	3.46	3.26	3.08	2.92	2.78	2.64	2.52	2.41		
38	8.70	7.75	6.97	6.32	5.77	5.30	4.89	4.53	4.22	3.94	3.70	3.48	3.28	3.10	2.94	2.80	2.66	2.54			
39	8.71	7.76	6.98	6.33	5.78	5.31	4.90	4.55	4.24	3.96	3.72	3.50	3.30	3.12	2.96	2.82	2.69				
40	8.72	7.77	7.00	6.35	5.80	5.33	4.92	4.57	4.26	3.98	3.74	3.52	3.32	3.15	2.99	2.85					
41	8.73	7.79	7.01	6.36	5.82	5.35	4.94	4.59	4.28	4.00	3.76	3.54	3.35	3.18	3.02						
42	8.75	7.80	7.03	6.38	5.83	5.37	4.96	4.61	4.30	4.03	3.79	3.57	3.38	3.21							
43	8.77	7.82	7.05	6.40	5.86	5.39	4.99	4.63	4.33	4.06	3.81	3.60	3.41								
44	8.79	7.84	7.07	6.42	5.88	5.41	5.01	4.66	4.36	4.09	3.85	3.63									
45	8.81	7.87	7.09	6.45	5.91	5.44	5.04	4.69	4.39	4.12	3.88										
46	8.83	7.89	7.12	6.48	5.94	5.47	5.07	4.73	4.42	4.16											
47	8.86	7.92	7.15	6.51	5.97	5.51	5.11	4.77	4.46												
48	8.89	7.95	7.18	6.54	6.01	5.55	5.15	4.81													
49	8.93	7.99	7.22	6.58	6.05	5.59	5.20														
50	8.96	8.03	7.26	6.63	6.09	5.64															
51	9.01	8.07	7.31	6.68	6.14																
52	9.05	8.12	7.36	6.73																	
53	9.10	8.17	7.42																		
54	9.16	8.23																			
55	9.22																				
56	9.29																				
57	9.37																				
58	9.46																				
59	9.55																				
60	9.66																				
61	9.77																				
62	9.90																				
63	10.04																				
64	10.19																				
65	10.36																				
66	10.55																				
67	10.75																				
68	10.98																				
69	11.24																				
70	11.51																				

Premiums shown are per month for £1,000 life cover.

C6. ARREARS

Should any policyholder's premiums to this fund be two months in arrears during the first year of the policy, the assurance will be considered to have lapsed without value. Any subsequent surrender value to which the policyholder will be entitled will depend upon the bonuses added to the policy and the surrender basis in force at that time.

C7. EXPENSES

For the purpose of providing the necessary funds for management, 70% of the first year's premium and 10% of each subsequent year's premium shall be appropriated.

C8. BENEFIT

Benefit is payable on the maturity date or previous death of the life assured.

C9. CERTIFICATES OF DEATH

No money shall be paid (except as provided by the Act) upon the death of a member or other person whose death is or ought to be entered in any register of deaths, except upon the production either of a certificate of that death under the hand of the Registrar of Deaths or other person having care of the registrar of deaths in which that death is or ought to be entered, or of the grant of probate to the will of the member or other person or of letters of administration to his estate or of a certificate of confirmation to his estate.

C10. BONUSES

Reversionary and/or other forms of bonuses may be allocated to eligible policies. Such bonuses shall be determined from time to time by the Board of Management after considering the advice of the Actuary.

Appendix D

Rules and Conditions of the Child Trust Fund Account

- D1.** The Society will maintain linked long term funds for the Child Trust Fund accounts for children under the age of 18. Any child under the age of 18 may hold a Child Trust Fund Account ("the Account") and such children will be regarded as members of the Society. For children under the age of 16, all decisions that need to be exercised on the Account will be taken by the registered contact.
- D2.** The Child Trust Fund Account product is a unit-linked life policy. All the monies received for the Account will be allocated to units in one of the linked long term funds at the next published unit price.
- D3.** The Account can be transferred to another Child Trust Fund Account provider at any time without penalty. The value provided will be the then current number of allocated units to the Account multiplied by the next published unit price following receipt of the required written instruction at the Society's Head Office.
- D4.** There will be a limit to the total additional subscriptions that can be accepted by the Society on any Account in the year of age of the child. This limit is subject to change from time to time to conform to the latest regulations applicable to the operation of Child Trust Fund accounts.
- D5.** The Account will mature at the 18th birthday of the child when the child will be able to encash the Account. The value provided will be the then current number of allocated units to the Account multiplied by the next published unit price following the child's 18th birthday.
- D6.** If the child dies, the Society will pay 101% of the value of the Account to the ~~person with parental responsibility~~ for personal representatives of the child. The value of the Account will be the then current number of allocated units to the Account multiplied by the ~~next published unit price following receipt of the required details at the Society's Head Office~~ unit price at the date of death as per the Death Certificate.
- D7.** Investment interest will be added to the funds at regular intervals and the respective unit prices adjusted accordingly.
- D8.** Unit prices will be calculated on the first working day of each week and current unit prices will be available from the Head Office and published on the Society's web-site.
- D9.** The Account cannot be surrendered prior to maturity date, nor can it be assigned to another beneficial owner, nor can any loan be taken out against the value of the account.
- D10.** The operation of the Account will at all times be subject to the published 'Terms and Conditions of the Schoolteachers Friendly Society Child Trust Fund Account' as authorised by the Board of Management from time to time, and in line with the relevant legislation and regulations.