

**Company Number: 9653373**

**ADOPTED: 1<sup>st</sup> NOVEMBER 2015**

# **ARTICLES OF ASSOCIATION**

**OF**

**FIRE & RESCUE INDEMNITY COMPANY LIMITED**

## CONTENTS

### PART 1

#### OBJECTS, MEMBERS' RESERVE POWER, LIMITATION OF LIABILITY AND INTERPRETATION

1.	Objects and Members' Reserve Power	4
2.	Limited liability of Members	4
3.	Definitions and interpretation	4

### PART 2

#### THE BOARD

##### **THE BOARD'S POWERS AND RESPONSIBILITIES**

4.	The Board's general authority	7
5.	The Board may delegate	8
6.	Committees	9

##### **DECISION-MAKING BY THE BOARD**

7.	Directors to take decisions collectively	9
8.	Unanimous decisions not made at Board meetings	9
9.	Board meetings	10
10.	Participation in Board meetings	10
11.	Quorum for Board meetings and voting by Non-Member Directors	10
12.	Chairing Board meetings	11
13.	Casting vote at Board meetings	11
14.	The Board's resolutions and acts	11
15.	Conflicts of interest	12
16.	Records of decisions to be kept	13

##### **APPOINTMENT AND ELIGIBILITY OF DIRECTORS**

17.	The Board of Directors	13
18.	The Appointment of Directors	14
19.	Termination of Director's appointment	15
20.	Retirement of Directors	16
21.	Directors' services and remuneration	17
22.	Directors' expenses	17

### PART 3

#### MEMBERS

##### **BECOMING AND CEASING TO BE A MEMBER**

23.	Eligibility and applications for membership; membership personal to the Member	17
24.	Withdrawal from membership	18
25.	Termination of membership	18
26.	Monies due on termination of membership	18

##### **MEMBERS' VOTING RIGHTS**

27.	Voting Rights	18
-----	---------------	----

##### **ORGANISATION OF GENERAL MEETINGS**

28.	Frequency of General Meetings	19
-----	-------------------------------	----

29.	Calling a General Meeting	19
30.	Attendance and Speaking at General Meetings	19
31.	Quorum for General Meetings	20
32.	Chairing General Meetings	20
33.	Attendance and speaking by Directors and the Managers	21
34.	Adjournment	21

#### **VOTING AT GENERAL MEETINGS**

35.	Voting: general	22
36.	Poll votes	22
37.	Proxy notices	23
38.	Revoking proxy notices	24
39.	Amendments to resolutions	24

#### **PART 4** **ADMINISTRATIVE ARRANGEMENTS**

##### **GENERAL ADMINISTRATION**

40.	Means of communication to be used	25
41.	Deemed delivery of notices, documents and information	25
42.	Mutual seals	25
43.	Accounts and Audit	26
44.	No right to inspect accounts and other records	26
45.	Appointment of a Secretary	26

##### **INDEMNITY AND INSURANCE**

46.	Indemnity: Directors and Secretary	26
47.	Insurance: Directors and Secretary	27
48.	Indemnity: the Managers	27

#### **PART 5** **WINDING UP**

49.	Winding Up	28
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## PART 1

### LIMITATION OF LIABILITY AND INTERPRETATION

#### **1 OBJECTS AND MEMBERS' RESERVE POWER**

1.1 The objects of the Mutual are restricted to the following objects:

- 1.1.1 to provide Protection to Members in relation to risks of any description in accordance with the Rules;
- 1.1.2 to enter into arrangements under which such Protection is provided; and
- 1.1.3 to do anything that is required by, or is conducive or incidental to, the provision of such Protection or entering into such arrangements.

1.2 The income and property of the Mutual shall be applied solely towards the fulfilment of its objects as set out in Article 1.1 and no portion of its income or property shall be paid or transferred to any Member except in accordance with these Articles or the Rules.

1.3 The Members may, by special resolution, direct the Board to take, or refrain from taking, specified action, but no such special resolution shall invalidate anything done by the Board before the passing of the resolution.

#### **2 LIMITED LIABILITY OF MEMBERS**

The liability of each Member is limited to one hundred pounds (£100) being the amount that each Member undertakes to contribute to the assets of the Mutual in the event of the Mutual being wound up while it is a Member, or within one year after it ceases to be a Member, for:

- 2.1 payment of the Mutual's debts and liabilities contracted before it ceases to be a Member;
- 2.2 payment of the costs, charges and expenses of winding up; and
- 2.3 adjustment of the rights of the Members among themselves.

#### **3 DEFINITIONS AND INTERPRETATION**

3.1 In these Articles, unless the context requires otherwise, the following words and phrases shall have the meaning set out below.

**Articles** These Articles of Association in their current form or as amended from time to time by special resolution.

<b>Authority</b>	A Fire and Rescue Authority within the meaning of the Fire and Rescue Services Act 2004.
<b>Board</b>	The Board of Directors of the Mutual for the time being.
<b>Business Day</b>	Any day which is not a Saturday, Sunday or Bank Holiday in the United Kingdom.
<b>Certificate of Entry</b>	The document issued by the Mutual under the Rules which evidences membership of the Mutual and confirms that Protection is in place.
<b>Chairman</b>	As defined in Article 12 [Chairing Board meetings].
<b>chairman of the meeting</b>	As defined in Article 32 [Chairing General Meetings].
<b>Companies Acts</b>	The Companies Acts (as defined in section 2 of the Companies Act 2006) as amended from time to time, in so far as they apply to the Mutual.
<b>Contribution</b>	Money paid or payable to the Mutual by a Member in respect of a Member's Protection.
<b>Director</b>	A duly appointed Director of the Mutual. The word Director in the context of the exercise of any power contained in these Articles includes any committee consisting of one or more Directors.
<b>document</b>	Includes, unless otherwise specified, any document sent or supplied in electronic form.
<b>Financial Year</b>	A year commencing at 00:00 hours on 1st November in any year up to and including 24.00 hours on the next following 31 <sup>st</sup> October, or any other period so designated by the Board.
<b>Managers</b>	The Managers appointed in accordance with Article 4.2 [The Board's general authority].
<b>Member</b>	An Authority entered on the Mutual's Register of Members which is receiving Protection and, where the context requires, a Member's Representative or a Member's Voting Representative or any of them.
<b>Member Director</b>	A Director who is an officer or employee of a Member.

<b>Member's Representative</b>	An officer or employee of a Member, appointed by the Member and notified to the Mutual in writing, who is duly authorised by the Member to: <ul style="list-style-type: none"> <li>(i) receive statutory and other notices and documents from the Mutual;</li> <li>(ii) communicate with and give instructions to the Mutual on the Member's behalf;</li> <li>(iii) attend and exercise the Member's rights at General Meetings; and</li> <li>(iv) provide a valid receipt for any payments which may be made by the Mutual to the Member.</li> </ul>
<b>Member's Voting Representative</b>	An officer or employee of a Member, appointed by the Member and notified to the Mutual in writing, who is nominated by that Member to attend and exercise that Member's right to vote at any General Meeting of the Mutual.
<b>Mutual</b>	Fire & Rescue Indemnity Company Limited.
<b>Non-Member Director</b>	A Director who is not an officer or employee of a Member or an Authority.
<b>participate</b>	In relation to a Board meeting, has the meaning given in Article 10 [Participation in Board meetings].
<b>Protection</b>	The matters which are the subject of the protection provided by the Mutual.
<b>Protection Schedule</b>	The document issued by the Mutual which contains the information set out in Rule 17.2, and any endorsement to that document, and which forms part of the terms of a Member's Protection and membership of the Mutual.
<b>Protection Wording</b>	The document issued by the Mutual which contains the details of the Protection provided by the Mutual and forms part of the terms of a Member's Protection and membership of the Mutual.
<b>proxy notice</b>	As defined in Article 37 [Proxy Notices].
<b>Rules</b>	The Rules made in accordance with Article 4.3 [The Board's general authority] and any amendments to those Rules.

- Secretary** Any person appointed to perform the duties of a secretary of the Mutual.
- writing** The representation or reproduction of words, symbols or other information in a visible, legible and non-transitory form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.
- 3.2 Except as otherwise expressly stated, references in these Articles to Directors include Non-Member Directors.
- 3.3 Words importing persons include individuals, partnerships, corporations and mutuals.
- 3.4 Words importing the masculine include the feminine.
- 3.5 Words importing the singular include the plural and vice versa.
- 3.6 Unless the context otherwise requires, other words or expressions contained in these Articles bear the same meaning as in the Companies Acts in force on the date when these Articles are adopted by the Mutual.
- 3.7 The Regulations contained in Schedule 2 of The Companies (Model Articles) Regulations 2008 and any statutory modification or re-enactment thereof shall not apply to the Mutual.

## **PART 2**

### **THE BOARD**

#### **THE BOARD'S POWERS AND RESPONSIBILITIES**

#### **4 THE BOARD'S GENERAL AUTHORITY**

- 4.1 Subject to the Articles and the Rules, the Board may exercise all the powers of the Mutual.
- 4.2 The Board shall appoint a mutual management company to manage any or all aspects of the business of the Mutual on such terms, including the payment of remuneration to the Managers, as the Board thinks fit.
- 4.3 The Board shall make Rules from time to time prescribing:
- 4.3.1 the form of application for admission to membership of the Mutual;
  - 4.3.2 the nature and extent of the Protection provided by the Mutual to Members and the exclusions from such Protection, provided that all such Protection shall be available on a discretionary basis only, such discretion to be exercised by the Board or, if so delegated by the Board, by a committee or by the Managers;

- 4.3.3 the basis upon which claims from Members shall be considered by the Board;
  - 4.3.4 the basis on which Contributions are calculated;
  - 4.3.5 the obligations of the Mutual and Members in respect of claims under the Protection; and
  - 4.3.6 such other matters incidental to the activities of the Mutual as the Board thinks fit.
- 4.4 Subject to Article 4.5, the Rules may be altered from time to time as the Board considers appropriate.
- 4.5 Unless any alterations are required for legal or regulatory reasons, or to correct any manifest errors or typographical errors, any alterations to the Rules shall not take effect until the earliest of either:
- 4.5.1 the beginning of the Mutual's next Financial Year; or
  - 4.5.2 approval by the Members by ordinary resolution.
- 4.6 The Board shall consider all claims made under the Protection provided by the Mutual and may, in its sole and absolute discretion and in accordance with the Rules, grant from the funds of the Mutual to any Member Protection wholly or in part in respect of such claims or reject the claim.

## **5 THE BOARD MAY DELEGATE**

- 5.1 Subject to the Articles, the Board may delegate any of the powers which are conferred on the Board:
- 5.1.1 to such person or committee;
  - 5.1.2 by such means (including by power of attorney);
  - 5.1.3 to such an extent;
  - 5.1.4 in relation to such matters or territories; and
  - 5.1.5 on such terms and conditions and with such directions as to how such delegated powers are to be exercised as the Board thinks fit.
- 5.2 If specifically permitted by the Board, any such delegation may authorise further delegation of the Board's powers by any person or committee to whom they are delegated.
- 5.3 The Board may, at any time, revoke any delegation in whole or part, or alter its terms and conditions.
- 5.4 The delegation of any power by the Board shall not preclude the concurrent exercise of that power by the Board or by any other body or person authorised to exercise it, unless expressly prohibited by the terms of the delegation.



## **6 COMMITTEES**

- 6.1 In the event that membership of a committee consists of less than three (3) Directors, a Non-Member Director shall not sit on that committee.
- 6.2 Subject to Article 6.1, not more than one (1) Non-Member Director shall sit on any committee.
- 6.3 A Non-Member Director shall not be a chairman of any committee.
- 6.4 Committees to which the Board delegates any of its powers must follow procedures which are based as far as applicable on those provisions of the Articles which govern the taking of decisions by the Board.
- 6.5 Subject to compliance with the terms, conditions and directions provided under Article 5.1.5 [The Board may delegate], any exercise of the powers delegated to a committee shall be deemed to have been exercised by the Board.
- 6.6 The Board may make rules of procedure for all or any committees.
- 6.7 Any rules made under Article 6.6 must comply with the provisions of these Articles and the Rules and, in so far as there is any inconsistency between such rules and these Articles and the Rules, the provisions of these Articles and the Rules shall prevail.

## **DECISION-MAKING BY THE BOARD**

### **7 DIRECTORS TO TAKE DECISIONS COLLECTIVELY**

Subject to Article 11 [Quorum for Board meetings], any decision of the Board must be either a majority decision of the Directors present and voting at a Board meeting, or a unanimous decision taken in accordance with Article 8 [Unanimous decisions not made at Board meetings].

### **8 UNANIMOUS DECISIONS NOT MADE AT BOARD MEETINGS**

- 8.1 A decision of the Board not taken at a Board Meeting is taken in accordance with this Article when all eligible Directors indicate to each other by any means that they share a common view on a matter.
- 8.2 Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible Director or to which each eligible Director has otherwise indicated agreement in writing.

8.3 References in this Article to eligible Directors are to Directors who would have been entitled to vote on the matter had it been proposed as a resolution at a Board meeting.

8.4 For the avoidance of doubt, a Director to whom the provisions of Article 15.2 [Conflicts of interest] apply shall not be an eligible Director for the purposes of this Article 8.

8.5 A decision may not be taken in accordance with this Article if the eligible Directors would not have formed a quorum at a Board meeting.

## **9 BOARD MEETINGS**

9.1 The Board shall meet at least four (4) times in any twelve (12) month period and will regulate its meetings as it sees fit.

9.2 Any Director, or the Mutual's Secretary (if any) or the Managers on the request of any Director, may summon a Board meeting.

9.3 Notice of a Board meeting must be given to each Director and the Managers, but need not be in writing.

## **10 PARTICIPATION IN BOARD MEETINGS**

10.1 In determining whether Directors are participating in a Board meeting, it is irrelevant where any Director is or how they communicate with each other and the Board meeting may be held by telephone, by telephone conference or in any other way the Board thinks fit.

10.2 If all the Directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any one of them is.

## **11 QUORUM FOR BOARD MEETINGS AND VOTING BY NON-MEMBER DIRECTORS**

11.1 At a Board meeting, unless a quorum is participating, no proposal is to be voted on except a proposal to call another meeting.

11.2 Subject to Article 11.3, the quorum for Board meetings may be fixed from time to time by a decision of the Board, but it shall never be less than three (3), and unless otherwise fixed it is three (3).

11.3 A Board meeting shall not be quorate unless the majority of Directors attending are Member Directors.

11.4 If the total number of Directors for the time being is less than the prevailing quorum for Board meetings, the Board must not take any decision other than a decision:

11.4.1 to appoint a further Member Director or Member Directors; or

11.4.2 to call a General Meeting so as to enable the Members to appoint a further Member Director or Member Directors.

## **12 CHAIRING BOARD MEETINGS**

12.1 The Board shall elect a Member Director to chair its meetings.

12.2 The person so appointed for the time being is known as the Chairman.

12.3 A Non-Member Director shall not be elected as Chairman.

12.4 Subject to Articles 12.6, 19 [Termination of Director's appointment] and 20 [Retirement of Directors], the Board shall elect a Chairman for a period of one (1) year from the date of his appointment.

12.5 If the Chairman is not participating in a Board meeting within ten (10) minutes of the time at which it was to start, the participating Directors must appoint one of themselves, who shall be a Member Director, to chair it.

12.6 Subject to Articles 11 [Quorum for Board meetings] and 12.7, the Board may terminate the Chairman's appointment at any time by a unanimous vote at a Board meeting attended by all the Member Directors.

12.7 The Chairman shall not be entitled to participate in a vote taken under Article 12.6.

## **13 CASTING VOTE AT BOARD MEETINGS**

13.1 Subject to Article 13.2, if the number of votes for and against a proposal are equal, the Chairman or other Director chairing the meeting has a casting vote in addition to his deliberative vote.

13.2 The Chairman or Director chairing the meeting shall not have a casting vote if, in accordance with the Articles or the Rules, he is not to be counted as participating in the decision-making process for quorum or voting purposes.

## **14 THE BOARD'S RESOLUTIONS AND ACTS**

14.1 A resolution in writing signed by (a) eligible Directors in accordance with Article 8 [Unanimous decisions not made at Board meetings], or (b) all the members of a

committee for the time being duly convened and held, shall be valid and effectual as a resolution passed at a meeting of the Board, or as the case may be, of such committee, and such resolution may consist of several documents in like form each signed by one or more Directors.

14.2 Any acts done by any meeting of the Board or of a committee of Directors are, notwithstanding that it is afterwards discovered that there was some defect in the procedure for the appointment of a person to be Director or a member of the committee or to act as a Director, or that a person so appointed was disqualified, as valid as if the person had been duly appointed and was qualified to be a Director or to be a member of the committee.

## **15 CONFLICTS OF INTEREST**

15.1 Subject to a Director disclosing his interest in accordance with the Companies Acts, that Director is not disqualified by his office from:

15.1.1 attending and voting at any meeting of the Board in respect of any contract, agreement, arrangement, matter or thing in which he is interested, save as specified in Article 15.2; or

15.1.2 attending and voting at any meeting of the Board in respect of proposed amendments to the Rules or other matters which affect all Members equally.

15.2 A Member Director shall not be entitled to participate, unless permitted to do so by a unanimous decision of the other Member Directors in attendance, in any part of a meeting relating to, and shall not in any event be entitled to vote in respect of:

15.2.1 any matter where the Board will be required to exercise its discretion in connection with any claim made pursuant to the Rules by a Member in respect of which that Member Director is an officer or employee; and/or

15.2.2 any other matter arising under the Rules or Articles in respect of a Member in respect of which that Member Director is an officer or employee.

15.3 Subject to Article 15.4, if a question arises at a meeting of the Board or a committee of Directors as to the right of a Director to participate in the meeting (or part of the meeting) for discussion, voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the Chairman whose ruling in relation to any Director other than the Chairman is to be final and conclusive.

15.4 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the Chairman, the question is to be decided by a decision of the Board

at that meeting, for which purpose the Chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

- 15.5 A contract, agreement or arrangement entered into by or on behalf of the Mutual in which a Director is in any way interested is not for that reason void or voidable and, subject to the Director disclosing such an interest to the Board, the Director shall not be liable to account to the Mutual for any profits accruing to him from such contract, agreement or arrangement.

## **16 RECORDS OF DECISIONS TO BE KEPT**

- 16.1 The Board shall cause minutes to be made of all proceedings of General Meetings of the Mutual, of meetings of the Board and of any committees of Directors, and of the attendances thereat and of all appointments of officers made by the Board.
- 16.2 Any minutes signed by the chairman of the meeting at which the proceedings were held, or by the chairman of the next succeeding meeting, shall be conclusive evidence of the proceedings.
- 16.3 The Board shall ensure that the Mutual keeps a record in writing of every decision taken by the Board for at least ten (10) years from the date of such decision.

## **APPOINTMENT AND ELIGIBILITY OF DIRECTORS**

## **17 THE BOARD OF DIRECTORS**

- 17.1 The Board shall consist of a maximum of nine (9) Directors and a minimum of three (3) Directors.
- 17.2 No Member shall provide more than one Member Director at any one time.
- 17.3 Each Director must be, and must remain whilst holding office, an officer or employee of a Member, save that the Mutual may at any time that the Board consists of:
- 17.3.1 less than five Directors, elect or appoint to the Board one (1) Non-Member Director;
  - 17.3.2 five or more Directors, elect or appoint to the Board a maximum of two (2) Non-Member Directors.

17.4 While the Mutual is an authorised person under the Financial Services and Markets Act 2000 or any amending or superseding legislation, any appointment of a Director shall be contingent upon his approval by the Financial Conduct Authority (or any successor body).

## **18 THE APPOINTMENT OF DIRECTORS**

18.1 Subject to Article 17 [The Board of Directors], any person who is willing to act as a Director, and is permitted by law to do so, may be appointed or re-elected as a Director by ordinary resolution.

18.2 A nomination for the appointment of a Director, other than a Director retiring under Article 20 [Retirement of Directors] or a Non-Member Director, shall be in writing signed by the nominee, a proposer and a seconder all of whom shall be Members' Representatives. The nomination must be made to the Chairman in the first instance and be supported by not less than two (2) Member Directors who shall satisfy themselves that:

18.2.1 the nominee is likely to be acceptable to any applicable regulatory body; and

18.2.2 will make a valuable contribution to the Board and the Mutual; and

18.2.3 is permitted by his employer to accept the appointment.

18.3 The written nomination under Article 18.2 shall be lodged with the Mutual not less than sixty (60) days before the nomination is to be considered.

18.4 A nomination for the appointment or re-election of an Non-Member Director must be made by the Chairman and supported by not less than two (2) other Member Directors who shall satisfy themselves that:

18.4.1 the nominee is likely to be acceptable to any applicable regulatory body; and

18.4.2 will make a valuable contribution to the Board and the Mutual; and

18.4.3 if applicable, is permitted by his employer to accept the appointment.

18.5 A nomination under Article 18.4 shall be notified to the Mutual not later than the date for sending notice of the General Meeting at which the nomination is to be considered.

18.6 Subject to Article 20 [Retirement of Directors], a retiring Director shall be eligible for re-election provided that, at the time of re-election, he is still eligible to be a Director in accordance with Articles 17.3 and 17.4 [The Board of Directors].

18.7 An alphabetical list of the candidates' names shall be sent to Members with the nominations.

- 18.8 Balloting lists shall be prepared containing the names of the candidates in alphabetical order.
- 18.9 Each Member shall be entitled to vote for any such number of the candidates as does not exceed the number of vacancies.
- 18.10 No Member shall be entitled to cast more than one vote for any one candidate.
- 18.11 If there is an insufficient number of candidates nominated, the Board may provide candidates to fill the vacancies, and:
- 18.11.1 the members of the Board shall satisfy themselves that:
    - 18.11.1.1 such a nominee is likely to be acceptable to any applicable regulatory body; and
    - 18.11.1.2 will make a valuable contribution to the Board and the Mutual; and
    - 18.11.1.3 if applicable, is permitted by his employer to accept the appointment;
  - 18.11.2 the nomination shall be lodged with the Mutual at least twenty one (21) days before the General Meeting at which the nomination is to be considered.
- 18.12 If at any time the Board consists of less than three Directors, the Board shall appoint the required number of Member Directors to bring the total to not less than three Directors.
- 18.13 The appointment of a Director under Article 18.12 shall be subject to approval by the Members by ordinary resolution.

## **19 TERMINATION OF DIRECTOR'S APPOINTMENT**

- 19.1 A person ceases to be a Director as soon as:
- 19.1.1 (if he is a Member Director) he ceases to be an officer or employee of a Member; or
  - 19.1.2 he ceases to be a Director by virtue of any provision of the Companies Acts or is prohibited from being a Director by law; or
  - 19.1.3 the Authority in respect of which a Member Director is an officer or employee ceases to be a Member; or
  - 19.1.4 a bankruptcy order is made against that person; or
  - 19.1.5 a composition is made with that person's creditors generally in satisfaction of that person's debts; or
  - 19.1.6 he is charged anywhere in the United Kingdom with a criminal offence involving dishonesty; or

- 19.1.7 a registered medical practitioner who is treating that person gives a written opinion to the Board stating that that person has become physically or mentally incapable of acting as a Director and may remain so for more than three (3) months; or
  - 19.1.8 written notification is received by the Mutual from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms; or
  - 19.1.9 that person has been absent from three (3) consecutive meetings of the Board (such absence not being with the agreement of or by arrangement with the Board) and, subject to Article 19.2, the Board agrees unanimously that his office should be vacated; or
  - 19.1.10 for so long as the Mutual is an authorised person or an appointed representative under the Financial Services and Markets Act 2000, the Financial Conduct Authority (or any successor body) revokes its approval of that person to hold the position of Director; or
  - 19.1.11 that person is removed from office pursuant to these Articles.
- 19.2 Any Director in respect of whom a vote is to be taken under Article 19.1.9 shall not be entitled to participate in such vote.
- 19.3 A proposal to remove a Director from office, of which notice has been given in accordance with the Companies Acts, may be passed by ordinary resolution.

## **20 RETIREMENT OF DIRECTORS**

- 20.1 At the first Annual General Meeting of the Mutual following the adoption of these Articles all Directors shall retire and, subject to the other provisions of this Article, at every third Annual General Meeting thereafter, one third of the Directors who are subject to retirement by rotation or, if their number is not three (3) or a multiple of three (3), the number nearest to one-third, shall retire from office.
- 20.2 Subject to the Directors to retire by rotation having served at least three (3) years in office, the Directors to retire by rotation shall be those who have been longest in office since their last election or re-election, but as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.
- 20.3 A retiring Director shall retain office until the conclusion of the meeting at which that Director retires.



20.4 A Director shall retire from office at the Annual General Meeting following his seventy-fifth (75th) birthday, and may thereafter offer himself for re-election annually.

## **21 DIRECTORS' SERVICES AND REMUNERATION**

21.1 Directors may undertake any services for the Mutual that the Board decides.

21.2 Member Directors shall not receive any remuneration for their services to the Mutual.

21.3 Non-Member Directors shall be entitled to remuneration in such sum as may from time to time be voted to them by the Mutual in General Meeting, not exceeding in aggregate the sum allowed for such remuneration by the Board.

21.4 The remuneration of Non-Member Directors shall be divided amongst them in the following order of priority:

21.4.1 as specified by the resolution by which it is voted;

21.4.2 as the Board shall resolve;

21.4.3 equally.

21.5 A Non-Member Director's remuneration shall be deemed to accrue from day to day.

## **22 DIRECTORS' EXPENSES**

22.1 The Mutual may pay any reasonable expenses which the Directors properly incur in connection with their attendance at:

22.1.1 meetings of the Board or committees of Directors;

22.1.2 General Meetings of the Mutual; or

22.1.3 otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Mutual.

## **PART 3**

### **MEMBERS**

#### **BECOMING AND CEASING TO BE A MEMBER**

## **23 ELIGIBILITY AND APPLICATIONS FOR MEMBERSHIP; MEMBERSHIP PERSONAL TO THE MEMBER**

23.1 No entity shall become a Member of the Mutual unless:

23.1.1 the applicant is an Authority; and

- 23.1.2 the applicant has completed an application for membership and Protection in a form approved by the Board; and
  - 23.1.3 the Board has, in its absolute discretion, approved the application and entered the name of the applicant on the Mutual's Register of Members.
- 23.2 The Board will not be obliged to give reasons if it refuses to admit any Authority as a Member of the Mutual.
- 23.3 Membership of the Mutual is personal to the Member and is not transferable or assignable.

## **24 WITHDRAWAL FROM MEMBERSHIP**

A Member may only withdraw from membership of the Mutual in accordance with the Rules.

## **25 TERMINATION OF MEMBERSHIP**

- 25.1 A Member's membership of the Mutual will terminate immediately if any of the following events occur, unless otherwise agreed in writing by the Board:
- 25.1.1 the dissolution or restructuring of the Member;
  - 25.1.2 the merger of a Member with another Authority or entity which is not a Member;
  - 25.1.3 the Member has been sent a final notice, in accordance with the Rules, in respect of any unpaid Contributions and the Member fails to pay by the date specified in the notice;
  - 25.1.4 all Protection ceases and is not renewed in accordance with the Rules.
- 25.2 If the Board, in its absolute discretion, determines that it is undesirable for a Member's membership to continue, the Board shall give written notice to the Member terminating its membership with effect from the date of the expiry of the current term of the Member's Protection.

## **26 MONIES DUE ON TERMINATION OF MEMBERSHIP**

On termination of membership, a Member shall be and shall remain liable to pay to the Mutual all Contributions and monies due under these Articles or the Rules.

## **MEMBERS' VOTING RIGHTS**

## **27 VOTING RIGHTS**

Each Member shall have one vote in respect of a written resolution, a poll or a show of hands.

## **ORGANISATION OF GENERAL MEETINGS**

### **28 FREQUENCY OF GENERAL MEETINGS**

- 28.1 General Meetings of the Mutual will take place in accordance with the requirements of the Articles.
- 28.2 The Mutual will hold at least one General Meeting in every twelve (12) calendar month period commencing from 1<sup>st</sup> January 2017.
- 28.3 The General Meeting held in accordance with Article 28.2 will be referred to as the Annual General Meeting but will remain in every other respect subject to the requirements of these Articles for General Meetings.

### **29 CALLING A GENERAL MEETING**

- 29.1 A General Meeting may be called:
- 29.1.1 by any person acting on the authority of a decision of the Board; or
  - 29.1.2 as otherwise provided for in the Companies Acts.
- 29.2 Notice of all General Meetings shall be given to the Managers.
- 29.3 Subject to Article 29.2, the notice required of a General Meeting is twenty (20) clear Business Days and notice must be given as prescribed by the Companies Acts.

### **30 ATTENDANCE AND SPEAKING AT GENERAL MEETINGS**

- 30.1 Subject to Article 35 [Voting: general], a person is able to exercise the right to speak at a General Meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 30.2 Subject to Article 35 [Voting: general], a person is able to exercise the right to vote at a General Meeting when:
- 30.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
  - 30.2.2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

30.3 The Board may make whatever arrangements it considers appropriate to enable those attending a General Meeting to exercise their rights to speak or vote at it.

### **31 QUORUM FOR GENERAL MEETINGS**

31.1 No business other than the appointment of the chairman of the meeting is to be transacted at a General Meeting if the persons attending it do not constitute a quorum of Members.

31.2 Two-thirds, or if the number of Members is not divisible by three (3) the nearest number to two-thirds, of the total membership shall constitute a quorum of Members.

31.3 If a quorum is not present within half an hour from the time appointed for a meeting:

31.3.1 where the meeting was convened upon the requisition of Members, the meeting shall be dissolved; or

31.3.2 in any other case, the meeting stands adjourned to such other day and place as the Board may determine.

31.4 If at the adjourned meeting a quorum is not present within half an hour from the time fixed for the meeting then, subject to any requirement of law, and in the sole discretion of the chairman of the meeting, the Members present shall be a quorum.

### **32 CHAIRING GENERAL MEETINGS**

32.1 The Chairman shall chair General Meetings if present and willing to do so.

32.2 If the Chairman is not present within fifteen minutes of the time at which a meeting was due to start, or is not willing to chair the meeting, the Directors present must appoint a Director, who shall not be a Non-Member Director, or if no Member Directors are present, the meeting, must appoint a Member's Representative or Member's Voting Representative, to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

32.3 Any appointment by the meeting under Article 32.2 shall be made on a majority vote of the persons present at the meeting who are entitled to vote on any resolution.

32.4 The person chairing a meeting in accordance with this Article is referred to as "the chairman of the meeting".

### **33 ATTENDANCE AND SPEAKING BY DIRECTORS AND THE MANAGERS**

Directors and the Managers may attend and speak at General Meetings.

### **34 ADJOURNMENT**

34.1 The chairman of the meeting may adjourn a General Meeting at which a quorum is present if:

- 34.1.1 the meeting consents to an adjournment; or
- 34.1.2 it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or to ensure that the business of the meeting is conducted in an orderly manner.

34.2 The chairman of the meeting must adjourn a General Meeting if directed to do so by a majority vote of those persons present at the meeting who are entitled to vote on any resolution.

34.3 When adjourning a General Meeting, the chairman of the meeting must:

- 34.3.1 either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Board; and
- 34.3.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

34.4 If the continuation of an adjourned meeting is to take place more than fourteen (14) days after it was adjourned, the Mutual must give at least seven (7) clear Business Days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is served or deemed to be served):

- 34.4.1 to the same persons to whom notice of the Mutual's General Meetings is required to be given; and
- 34.4.2 containing the same information which such notice is required to contain.

34.5 No business may be transacted at an adjourned General Meeting which could not properly have been transacted at the General Meeting if the adjournment had not taken place.

## VOTING AT GENERAL MEETINGS

### 35 VOTING: GENERAL

- 35.1 Each Member may only be represented at a General Meeting by its Member's Representative, Member's Voting Representative or by proxy.
- 35.2 A resolution put to the vote of a General Meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the Articles.

### 36 POLL VOTES

- 36.1 A poll on a resolution may be demanded:
  - 36.1.1 in advance of the General Meeting where it is to be put to the vote; or
  - 36.1.2 at a General Meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- 36.2 A poll may be demanded by:
  - 36.2.1 the chairman of the meeting; or
  - 36.2.2 any Member Director; or
  - 36.2.3 a Member's Representative, a Member's Voting Representative or duly appointed proxy.
- 36.3 A demand for a poll may be withdrawn if:
  - 36.3.1 the poll has not yet been taken; and
  - 36.3.2 the chairman of the meeting consents to the withdrawal.
- 36.4 A declaration by the chairman of the meeting that a resolution has on a show of hands been carried or carried unanimously or by a particular majority, and an entry to that effect in the minutes of the meeting, is conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against the resolution.
- 36.5 A poll demanded on:
  - 36.5.1 the election of a chairman of the meeting; or
  - 36.5.2 on a question of adjournmentshall be taken forthwith.
- 36.6 Any other poll shall be taken in such manner and either at once or after an interval or adjournment or otherwise as the chairman of the meeting directs.

- 36.7 The result of the poll shall be the resolution of the meeting at which the poll was demanded.
- 36.8 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded has, in addition to his deliberative vote (if any), a casting vote.

### **37 PROXY NOTICES**

- 37.1 No person shall be a proxy unless he is:
- 37.1.1 an officer or employee of a Member; or
  - 37.1.2 a Member Director.
- 37.2 A proxy may only validly be appointed by a notice in writing (a “proxy notice”) which:
- 37.2.1 states the name and address of the Member appointing the proxy;
  - 37.2.2 identifies the person appointed to be that Member’s proxy and the General Meeting in relation to which that person is appointed;
  - 37.2.3 is signed by the Member’s Representative or an authorised officer the Member appointing the proxy, or is authenticated in such manner as the Board may determine;
  - 37.2.4 is delivered to the Mutual in accordance with the Articles and any instructions contained in the notice of the General Meeting to which the proxy relates; and
  - 37.2.5 if a proxy notice is not executed by the person appointing the proxy, it is accompanied by written evidence of the authority of the person who executed it to execute it on the appointer’s behalf.
- 37.3 The Mutual may require proxy notices to be delivered in a particular form and may specify different forms for different purposes.
- 37.4 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- 37.5 Unless a proxy notice indicates otherwise, it must be treated as:
- 37.5.1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and
  - 37.5.2 appointing that person as a proxy in relation to any adjournment of the General Meeting to which it relates as well as the meeting itself.

- 37.6 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a General Meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Mutual by or on behalf of that person.

### **REVOKING PROXY NOTICES**

- 37.7 An appointment under a proxy notice may be revoked by delivering to the Mutual a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 37.8 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

### **38 AMENDMENTS TO RESOLUTIONS**

- 38.1 An ordinary resolution to be proposed at a General Meeting may be amended by ordinary resolution if:
- 38.1.1 notice of the proposed amendment is given to the Mutual in writing by a Member's Representative or Member's Voting Representative not less than forty eight (48) hours before the meeting is to take place (or such later time as the chairman of the meeting may determine); and
  - 38.1.2 the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- 38.2 A special resolution to be proposed at a General Meeting may be amended by ordinary resolution, if:
- 38.2.1 the chairman of the meeting proposes the amendment at the General Meeting at which the resolution is to be proposed; and
  - 38.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 38.3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.



## **PART 4**

### **ADMINISTRATIVE ARRANGEMENTS**

#### **GENERAL ADMINISTRATION**

#### **39 MEANS OF COMMUNICATION TO BE USED**

- 39.1 Subject to the Articles, anything sent or supplied by or to the Mutual under the Articles or the Rules may be sent or supplied in any way permitted by the Companies Acts.
- 39.2 Subject to the provisions of the Companies Acts, the Mutual may send or supply all documents and information to Members by making them available on the Mutual's website or by other electronic means approved by the Board as and when the Board considers it appropriate to do so.
- 39.3 Subject to the Articles, any notice or document to be sent or supplied to a Director in connection with the taking of decisions by the Board may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or documents for the time being.
- 39.4 A Director may agree with the Mutual that notices or documents sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than forty eight (48) hours.

#### **40 DEEMED DELIVERY OF NOTICES, DOCUMENTS AND INFORMATION**

- 40.1 A notice, document or information shall be deemed to be served:
- 40.1.1 at the expiration of two (2) Business Days after the envelope containing it was posted; or
  - 40.1.2 in the case of any notice, document or information sent or supplied by the Mutual in electronic form, on the day upon which it was sent.

#### **41 MUTUAL SEALS**

- 41.1 Any common seal may only be used on the authority of the Board.
- 41.2 The Board may decide by what means and in what form any common seal is to be used.

41.3 Unless otherwise decided by the Board, if the Mutual has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.

41.4 For the purposes of this Article, an authorised person is:

41.4.1 any Member Director; or

41.4.2 the Mutual's Secretary (if any); or

41.4.3 any person authorised by the Board for the purpose of signing documents to which the common seal is applied.

## **42 ACCOUNTS AND AUDIT**

42.1 The Board shall:

42.1.1 cause proper accounting and other records to be kept; and

42.1.2 cause the Mutual's annual accounts to be independently audited; and

42.1.3 circulate copies of the Mutual's annual accounts and reports for each financial year in accordance with and as required to do so by the Companies Acts.

## **43 NO RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS**

The Board shall from time to time determine whether and to what extent and at what times and places and under what condition or regulations the accounting records and other documents of the Mutual or any of them will be open to the inspection of Members and no Member shall have the right of inspecting any documents of the Mutual except as provided by law or authorised by the Board or by the Mutual in a General Meeting.

## **44 APPOINTMENT OF A SECRETARY**

Subject to the provisions of the Companies Act, the Board may appoint a Secretary for such term, at such remuneration and upon such conditions as they think fit, and any Secretary so appointed may be removed by the Board.

## **INDEMNITY AND INSURANCE**

### **45 INDEMNITY: DIRECTORS AND SECRETARY**

45.1 Subject to Article 45.2, a relevant Director or Secretary of the Mutual may be indemnified out of the Mutual's assets against:

45.1.1 any liability incurred by that Director or Secretary in connection with any negligence, default, breach of duty or breach of trust in relation to the Mutual;  
or

45.1.2 any other liability incurred by that Director or Secretary as an officer of the Mutual.

45.2 This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

45.3 In this Article a “relevant Director or Secretary” means any Director or former Director or Secretary or former Secretary of the Mutual.

#### **46 INSURANCE: DIRECTORS AND SECRETARY**

46.1 The Board may decide to purchase and maintain insurance, at the expense of the Mutual, for the benefit of any relevant Director or Secretary in respect of any relevant loss.

46.2 In this Article:

46.2.1 a “relevant Director or Secretary” means any Director or former Director or Secretary or former Secretary of the Mutual; and

46.2.2 a “relevant loss” means any loss or liability which has been or may be incurred by a relevant Director or Secretary in connection with that Director’s or Secretary’s duties or powers in relation to the Mutual.

#### **47 INDEMNITY: THE MANAGERS**

The Mutual may indemnify and keep indemnified on a full indemnity basis the Managers and the Managers’ officers, employees, contractors and agents (the “Indemnified Parties”) in respect of all losses, claims, damages, costs, expenses or other liabilities (“the Liabilities”) which may be incurred by any Indemnified Party and which arise out of or in connection with the performance of the Management Services except where the Liabilities arise out of the negligence, wilful default or breach of this Agreement by any Indemnified Party provided always that the provisions of this clause shall be without prejudice to any claims which the Mutual may have against any Indemnified Party for negligence or wilful default or breach of this Agreement.

**PART 5**  
**WINDING UP**

**48 WINDING UP**

48.1 In the event of the winding up of the Mutual, after its liabilities have been satisfied, the remaining assets of the Mutual shall be distributed by reference to the Liquidation Proportion of each eligible Member, calculated as follows:

48.1.1 The Liquidation Proportion of each eligible Member shall be a fraction (a) the numerator of which is the sum obtained by aggregating the amount of the Contributions calculated in accordance with the Rules paid by such Member for the Financial Year (as defined in the Rules) in which the winding up is commenced or if earlier the last Financial Year of the Mutual in respect of which the Mutual issued any Protection Schedule under the Rules ('the Last Financial Year') and (to the extent applicable) for the four preceding Financial Years and (b) the denominator of which is the sum obtained by aggregating the sum obtained pursuant to (a) hereof in respect of all eligible Members (such fraction being expressed as a percentage to two decimal places).

48.2 A Member shall be an eligible Member and entitled to participate in a distribution to be made pursuant to this Article if he was a Member of the Mutual during the Last Financial Year of the Mutual or (to the extent applicable) at any time during the four preceding Financial Years.

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