



**Cornish Mutual**  
Insurance that keeps its word

Company No: 00078768

**THE COMPANIES ACT 2006  
COMPANY LIMITED BY GUARANTEE**

**MEMORANDUM  
AND  
ARTICLES OF ASSOCIATION  
OF  
THE CORNISH MUTUAL ASSURANCE COMPANY LIMITED  
(ADOPTED BY SPECIAL RESOLUTION ON MARCH 2018)**





**THE COMPANIES ACT 2006  
COMPANY LIMITED BY GUARANTEE  
AND NOT HAVING A SHARE CAPITAL  
MEMORANDUM OF ASSOCIATION  
OF**

**THE CORNISH MUTUAL ASSURANCE COMPANY LIMITED**

- 1 The name of the Company is 'THE CORNISH MUTUAL ASSURANCE COMPANY LIMITED'.
- 2 The registered office of the Company will be situated in England.
- 3 The said Company is limited by guarantee, not having a capital divided into shares.





**THE COMPANIES ACT 2006  
COMPANY LIMITED BY GUARANTEE  
AND NOT HAVING A SHARE CAPITAL  
ARTICLES OF ASSOCIATION  
OF  
THE CORNISH MUTUAL ASSURANCE COMPANY LIMITED**

1	INTERPRETATION	1
2	MEMBERS	2
3	MEMBERSHIP	2
4	LIABILITY OF MEMBERS	3
5	ANNUAL GENERAL MEETINGS	4
6	GENERAL MEETINGS	4
7	GENERAL PROCEDURE OF GENERAL MEETINGS	4
8	POLL	6
9	MEMBERS AND VOTES OF MEMBERS	7
10	DIRECTORS	10
11	PROCEEDINGS OF DIRECTORS	13
12	MANAGING DIRECTOR AND SENIOR INDEPENDENT DIRECTOR	15
13	POWERS OF DIRECTORS	15
14	SECRETARY	18
15	FINANCIAL PROVISIONS	18
16	POLICIES	19
17	ACCOUNTS	19
18	AUDITORS	20
19	OFFICE	20
20	INDEMNITY OF DIRECTORS AND OFFICERS	20
21	NOTICE	20
22	MISCELLANEOUS	21
23	DISSOLUTION	21



## 1 INTERPRETATION

In these Articles, unless the context otherwise requires:-

<b>“Act”</b>	means the Companies Act 2006 including any statutory modifications or re-enactments thereof for the time being in force. Words and expressions defined in this Act have the same meanings in these Articles;
<b>“Annual General Meetings”</b>	means a meeting of the Company held in accordance with Articles 5 and 7;
<b>“Board of Directors”</b>	bears the meaning given to it in Article 10;
<b>“Company”</b>	means The Cornish Mutual Assurance Company Limited;
<b>“Chairman”</b>	means a Director appointed by the Directors in accordance with Article 11.4 to chair any meetings of the Directors and General Meetings;
<b>“Committee of Directors”</b>	bears the meaning given to it in Article 11.6;
<b>“Deputy Chairman”</b>	means a deputy chairman appointed by the Directors in accordance with Article 11.4;
<b>“Directors”</b>	means the directors of the Company from time to time;
<b>“Directors’ Remuneration”</b>	means the remuneration paid to the Directors on an individual basis as proposed by the Remuneration and Nomination Committee;
<b>“Electronic Means”</b>	includes any electronic form through any medium;
<b>“General Meeting”</b>	means a meeting of the Company held in accordance with Articles 6 and 7;
<b>“Managing Director”</b>	bears the meaning given to it in Article 12;
<b>“Member”</b>	a member of the Company as determined by Article 3.1;
<b>“Non-Executive Director”</b>	means a Director who does not form part of the executive management team of the Company;
<b>“Office”</b>	means the registered office of the Company from time to time;
<b>“Remuneration and Nomination Committee”</b>	means a committee composed of the persons as appointed by the Board of Directors for the purpose of overseeing and implementing the Company’s remuneration and nomination policies and practices;
<b>“Secretary”</b>	means the secretary of the Company from time to time;
<b>“Senior Independent Director”</b>	bears the meaning given to it in Article 12;

“Subsidiary”	as defined in section 1162 of the Act;
“Subsidiary Intermediary Member”	means a Member or Policyholder of a Subsidiary of the Company
“Writing”	includes printing, lithography, and any other substitute for writing, including by Electronic Means.

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

Paragraphs 1 to 3 of the Company’s Memorandum of Association are deemed to be incorporated into and form part of these Articles of Association.

## 2 MEMBERS

- 2.1 The number of Members for the purposes of registration shall be unlimited and shall be such persons as the Directors shall admit to the membership in accordance with Article 3.

## 3 MEMBERSHIP

### 3.1 *Issue of policy to constitute Membership*

The issue by the Company of any policy underwritten by the Company to any person or organisation shall constitute Membership (upon such terms and conditions as the Directors may from time to time in their absolute discretion determine) and having his or its name entered into the register of Members. The Company shall admit to Membership an individual or organisation which:

Is approved by the directors.

And the Member’s name shall be recorded in the register of Members.

### 3.2 *Groups of policyholders as one Member*

The Directors have the power to group together connected persons or organisations holding more than one policy as one Member where they deem it is appropriate (in their absolute discretion according to the [Membership policy] adopted by the board from time to time or otherwise agreed by the board) and enter in the register of Members the name of one or more persons within that group.

### 3.3 *Joint policies*

Joint policyholders (two or more persons holding the same policy) shall be treated as one Member and the directors may determine (in their absolute discretion) which of the policyholders is entered in the register as the Member.

### 3.4 *Directors to notify*

The directors must notify a Member that they have been entered into the register of Members and, if the Member is a Member pursuant to articles 3.3 and 3.4, must notify the Member of the joint policyholders or group who are deemed to be grouped under the same Membership.

### 3.5 ***Member obligations***

Each Member is bound to perform and observe all the obligations for the time being imposed on or affecting him by or under the Memorandum and Articles of Association for the time being in force, including in the event of his ceasing to be a Member all obligations then outstanding and on his part to be performed or observed and not discharged previously to the cesser of his membership and all other obligations binding on past Members.

### 3.6 ***Qualification for Membership***

A Member must be policyholder, or in the case of a Member which is a group of persons or organisation, one member of the group must be a policyholder.

### 3.7 ***Duration of Membership and restoration of lapsed Membership***

Subject to the preceding Article, the Membership of any person shall continue so long as he shall be the holder of any policy issued by the Company, and his Membership shall cease as soon as he shall cease to hold any such policy. If the Membership of any person shall cease by reason of non-payment of premiums and he shall afterwards pay all such monies as shall be necessary for restoring a lapsed policy within the period allowed for that purpose by the terms of the policy, or by the permission of the Directors, such person shall (subject as aforesaid) be restored to Membership in like manner and upon the same terms and conditions as if his policy had remained continuously in force.

### 3.8 ***Cessation of Membership***

A Member shall cease to be such in each and every of the events and at such time specified in each case.

- 3.8.1 At the end of the current term of his policy or policies with the Company without such policy or policies having been renewed for the following term.
- 3.8.2 At the expiration of one month after he shall have given notice in writing to the Company that he resigns his membership;
- 3.8.3 Immediately, if the Company gives the Member notice of a material breach of his policy or policies with the Company;
- 3.8.4 Immediately, if he shall become bankrupt, or insolvent, or suspend payment, or compound, or make any other arrangement with his creditors; or
- 3.8.5 At the expiration of one month if the Company gives notice in writing to any Member, his executor, or administrator, that it wishes to determine his or their membership.

## 4 **LIABILITY OF MEMBERS**

The liability of every Member of the Company is limited to £5, being the amount each Member undertakes to contribute to the assets of the Company in the event of the same being wound up during the time that he is a Member or within one year afterwards for payment of the debts and liabilities of the Company contracted before the time at which he ceases to be a Member, and of the costs, charges and expenses of winding up the Company, and for the adjustment of the rights of the contributories amongst themselves.



## **5 ANNUAL GENERAL MEETINGS**

### **5.1 *Summoning of Annual General Meetings***

Annual General Meetings shall be held at least once in every calendar year at such time and place as may be prescribed by the Company in a General Meeting, or if no time and place is so prescribed, then at such time and place as shall be determined by the Directors. Not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next.

### **5.2 *Business of an Annual General Meeting***

The business of an Annual General Meeting shall be to receive the report of the Directors, the accounts and balance sheet certified by the Company's auditors, to appoint any new Directors in place of or re-elect those retiring, to appoint the Company's auditors and to transact any other business which is required and which has been specified in the notice summoning the Annual General Meeting.

## **6 GENERAL MEETINGS**

### **6.1 *Summoning of General Meetings***

The Directors may whenever they think fit, and shall upon a requisition made in writing by the number of Members who represent not less than one twentieth of the total voting rights of all the Members having at the date of the deposit of the requisition the right to vote at general meetings forthwith, proceed to convene a General Meeting for a date not later than seven weeks after receipt of the requisition.

### **6.2 *Requisition***

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

### **6.3 *Power of requisitionists to summon meeting***

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

### **6.4 *Business at a General Meeting***

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

## **7 GENERAL PROCEDURE OF GENERAL MEETINGS**

### **7.1 *Applicability***

With the exception of Article 7.2.3.2 any reference to "General Meetings" in the remainder of these Articles shall be deemed to include an "Annual General Meeting" of the Company.



## 7.2 **Notice of General Meetings**

- 7.2.1 The Directors shall give the Members and the Company's auditors at least fourteen clear days' prior notice of any General Meeting;
- 7.2.2 The notice shall be given to the Members and the Company's auditors in writing or to the extent permitted by statute and as approved by the Directors by Electronic Means specifying the time, day and place of the meeting and the general nature of the business to be transacted; and
- 7.2.3 Provided that a meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in this Article be deemed to have been duly called if it is so agreed:
  - 7.2.3.1 In the case of a meeting called as the Annual General Meeting, by all the Members entitled to attend and vote thereat; and
  - 7.2.3.2 In the case of any General Meeting, by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together representing not less than ninety-five per cent of the total voting rights at that meeting of all the Members.

## 7.3 **Omission to give notice**

The accidental omission to give notice of any meeting to any person or organisation entitled to receive the same shall not invalidate any resolution passed at any General Meeting.

## 7.4 **Quorum of General Meetings**

No business shall be transacted at any General Meeting unless a quorum is present. The quorum for a General Meeting shall be ten Members present in person or represented (where the Company has received a valid appointment of such representative) and entitled to vote upon the business to be transacted.


## 7.5 **Chairman of General Meetings**

- 7.5.1 The Chairman shall chair General Meetings if present and willing to do so.
- 7.5.2 Subject to Article 7.5.3 in the event the Chairman is not present within fifteen minutes after the time appointed for a General Meeting or is unwilling to chair the General Meeting the Deputy Chairman shall chair the General Meeting.
- 7.5.3 In the event that a Deputy Chairman has not been appointed in accordance with Article 11.4 or is not present within fifteen minutes after the time appointed for the General Meeting or is unwilling to chair the General Meeting, the Directors present or if no Directors are present the Members present shall choose a Director or a Member to be the Chairman.

## 7.6 **Adjournment**

- 7.6.1 If a quorum is not present within half an hour after the time appointed for a General Meeting or if during the General Meeting a quorum ceases to be present, the Chairman shall adjourn it.



- 
- 7.6.2 The Chairman may adjourn a General Meeting at which a quorum is present if:
- 7.6.2.1 The meeting consents to an adjournment; or
  - 7.6.2.2 It appears to the Chairman that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- 7.6.3 When adjourning a General Meeting, the Chairman shall 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 Directors.
- 7.6.4 If the continuation of an adjourned General Meeting is to take place more than fourteen days after it was adjourned, the Company shall give at least seven days' notice of it:
- 7.6.4.1 To the same persons to whom notice of the General Meeting is required to be given; and
  - 7.6.4.2 Containing the same information which such notice is required to contain.
- 7.6.5 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.

## **8 POLL**

### **8.1 *Demand of poll***

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

### **8.2 *Withdrawal of poll***

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

### **8.3 *How to be taken***

If a poll is demanded, it shall be taken in such manner and at such place and time but not more than thirty days from the date of the meeting, as the Chairman of such General Meeting shall direct. The meeting at which the poll is taken shall constitute a continuation of the meeting at which the poll was demanded. It is not necessary to give notice of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case, at least seven clear days' notice shall be given specifying the time, date and place at which the poll shall be taken. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

#### 8.4 ***When a poll vote cannot be demanded***

A poll cannot be demanded on the election of a Chairman of a meeting or on a question of adjournment.

#### 8.5 ***Result of a poll vote***

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

#### 8.6 ***Casting vote of Chairman***

In case of equality of votes at a poll the Chairman shall have a second or casting vote.

#### 8.7 ***Demand of poll not to prevent continuance of meeting***

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

#### 8.8 ***Appointment of scrutineer***

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

### 9 **MEMBERS AND VOTES OF MEMBERS**

#### 9.1 ***Members and votes of Members***

9.1.1 A resolution put to the vote of a General Meeting shall be decided on either a show of hands or to the extent permitted by statute and as approved by the Directors by casting votes by Electronic Means unless a poll is duly demanded in accordance with Article 8.

9.1.2 On a vote on a resolution:

9.1.2.1 On a show of hands every Member present in person (or, in the case of a Member being a corporation or organisation, by its duly authorised representative) or by proxy shall have one vote;

9.1.2.2 By casting votes by Electronic Means every Member (or, in the case of a Member being a corporation or organisation, by its duly authorised representative) or by proxy shall have one vote; and

9.1.2.3 On a poll every Member present in person (or, in the case of a Member being a corporation or organisation, by its duly authorised representative) or by proxy, or by casting votes by Electronic Means shall have one vote.

#### 9.2 ***Chairman's cast vote***

The Chairman shall have a second or casting vote at a General Meeting.

#### 9.3 ***Qualification of voter***

No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the Chairman whose decision shall be final and conclusive.

#### 9.4 ***Transfer of Company's business requiring special resolution***

If a resolution is proposed to transfer all or part of the Company's business to any other person, corporation or body or to change the corporate status of the Company that resolution:

- 9.4.1 May only be carried if at least 50% of the Members vote on the resolution in any manner permitted by these Articles; and
- 9.4.2 Shall be proposed as a special resolution.

#### 9.5 ***Written resolutions***

Subject to the provisions of the Act, a resolution in writing, signed by:

- 9.5.1 Members representing 51% or more of the total voting rights in the case of an ordinary resolution; and
- 9.5.2 Members representing not less than 75% of the total voting rights in the case of a special resolution,

of all the Members for the time being entitled to receive notice of, and to attend and vote at, General Meetings (in person, or in the case of Members being corporations or organisations, by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a General Meeting of the Company duly convened and held.

#### 9.6 ***Votes by proxy***

All Members shall be entitled to exercise their vote on a poll by proxy. A Member may appoint one person who shall be a Member to act as his proxy. An appointment of a proxy shall be made in writing and the appointment shall not be valid unless it is deposited at the Office or otherwise validly deposited in the manner set out in the explanatory notes to the proxy form or notice not less than 48 hours before the time fixed for the commencement of the meeting to which it relates. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

#### 9.7 ***Organisations and corporations as Members***

Any organisation or corporation which is a Member may by resolution of its council, governing body or directors, or by such other method as may be required by the governing instrument of such organisation or corporation, authorise such person as it thinks fit to act as its representative at any meeting of the Company, and the person so authorised shall upon producing satisfactory written evidence of such authorisation be entitled to exercise the same powers on behalf of the organisation or corporation which he represents as the organisation or corporation could exercise if it were an individual Member.

#### 9.8 ***Validity of vote by proxy***

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, the revocation of the proxy or the transfer of any policy conferring the voting rights in respect of which the proxy is given, if no intimation in writing of the death, revocation, or transfer, authenticated to the satisfaction of the Directors, shall have been received at the Office before the meeting.



9.9 ***Third party collection of proxy votes***

The Directors may appoint a third party to collect and count proxy votes in accordance with these Articles

9.10 ***Form of proxy***

Subject to Article 9.11, an instrument appointing a proxy shall be in writing in any usual form (or in another form approved by the Board) executed under the hand of the appointor or his duly constituted attorney or, if the appointor is a corporation, under its seal or signed by a duly authorised officer or attorney or other person authorised to sign.

9.11 ***Voting by proxy using Electronic Means***

Subject to the Act, the Board may accept the appointment of a proxy received by Electronic Means on such terms and subject to such conditions as it considers fit. The appointment of a proxy received by Electronic Means shall not be subject to the requirements of Article 9.10.

9.12 ***Determining identity in voting***

For the purposes of Articles 9.10 and 9.11, the Directors may require such reasonable evidence they consider necessary to determine:

9.12.1 the identity of the Member and the proxy; and

9.12.2 where the proxy is appointed by a person acting on behalf of the Member, the authority of that person to make the appointment.

9.13 ***Restriction on right to attend General Meeting and vote***

No Member shall be entitled to be present or to vote on any question either personally or by proxy, or as a proxy for another Member at any General Meeting, or be reckoned in a quorum whilst any sum shall be due and payable to the Company by such Member for a period exceeding one month.

9.14 ***Votes of Members suffering from incapacity***

Where in England or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any Member on the grounds (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person to vote in person or by proxy at any General Meeting on behalf of such Member or to exercise any other right conferred by Membership in relation to meetings of the Company.

## **10 DIRECTORS**

### **10.1 *Number of Directors***

The Board of Directors shall consist of no less than five and no more than twelve Directors provided that the Company in any General Meeting may from time to time increase or reduce the number of Directors provided that the power to reduce given by this Article 10.1 shall not authorise the removal of any Director.

### **10.2 *Qualification and suitability of Directors***

10.2.1 The Directors shall be Members.

10.2.2 The Directors shall be appropriately skilled and suitable candidates and, having due regard to all applicable law, regulation and guidance, must be fit and proper persons for such appointment in the view of the Board of Directors (in its absolute discretion).

10.2.3 Any proposed Director shall be assessed by the Board of Directors or such Committee of Directors to whom they may delegate such assessment.

10.2.4 Directors are subject to a continuing requirement to comply with this Article 10.2 and will be assessed by the Directors or any Committee of Directors to whom they delegate such assessment.

### **10.3 *Executive and Non-Executive Directors***

The Board of Directors shall consist of Executive Directors and Non-Executive Directors. The Non-Executive Directors shall be in the majority.

### **10.4 *Power of Directors to resign***

A Non- Executive Director may resign his office on giving one month's notice in writing to the Directors of his intention to do so, and his resignation shall take effect on the expiration of that notice.

Executive Director's notice is specified in their contract of employment.

### **10.5 *Appointment of Directors***

10.5.1 The Directors shall have the power to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing directors, but so that the total number of Directors shall not at any time exceed the number fixed in accordance with these Articles. Any Director so appointed shall hold office until the next following Annual General Meeting and shall then be eligible for election.

10.5.2 The Company may by ordinary resolution appoint another person in place of a Director removed from office under Article 10.8. Without prejudice to the powers of the Directors under Article 10.5.1 the Company in a General Meeting may appoint any person to be a Director either to fill a casual vacancy or as an additional Director. The person appointed to fill such a vacancy shall be subject to re-election at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director.

## 10.6 ***Retirement of Directors***

10.6.1 At each Annual General Meeting any Director then in office:

10.6.1.1 who has been appointed by the Board since the previous Annual General Meeting in accordance with Article 10.5.1;

10.6.1.2 subject to 10.6.1.3, for whom it is the third Annual General Meeting following the Annual General Meeting at which he was elected or last re-elected; or

10.6.1.3 who has been in office for nine years or longer,

shall retire from office but shall be eligible for annual re-appointment at the request of the Board.

## 10.7 ***Removal of Directors***

10.7.1 The Company may by ordinary resolution, of which special notice has been given in accordance with section 312 of the Act, remove any Director before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director. Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company.

10.7.2 The Board of Directors may remove a Director from office if he or she, in the view of the Board (in its absolute discretion), no longer complies with the requirements of Article 10.2.

## 10.8 ***Disqualification for office of Director***

A Director shall cease to be a Director if he or she:-

10.8.1 becomes a bankrupt or makes any arrangement or composition with his creditors;

10.8.2 becomes prohibited by law, regulation or guidance from being a Director;

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

10.8.4 is the subject of a custodial sentence imposed by a court in the United Kingdom in respect of any criminal act or omission unless the Directors determine otherwise;


10.8.5 ceases to be a Member of the Company;

10.8.6 is requested by not less than two thirds of his co-Directors to resign;

10.8.7 is convicted of any criminal act or omission (excluding any minor motor offences) unless the Directors determine otherwise;

10.8.8 resigns from office by giving written notice to the Company in accordance with Article 10.4;

10.8.9 is removed by a resolution of the Members in accordance with Article 10.7.1;



10.8.10 fails to attend at least two thirds of the Board Meetings annually without special leave of absence from the Chairman, and the Directors determine that he shall be removed from the Board; or

10.8.11 dies,

and a Member shall be prohibited from becoming a Director if he is at any time within one of categories 10.8.1, 10.8.2, 10.8.3, 10.8.4 of this Article or does not satisfy the requirements of 10.2 and a resolution of the Directors declaring his disqualification is conclusive as to the fact.

#### 10.9 ***Directors may act***

The Directors may act notwithstanding any vacancy in the constitution of the Board of Directors.

#### 10.10 ***Directors may hold other offices***

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

#### 10.11 ***Remuneration of Directors***

10.11.1 The Directors shall be:

10.11.1.1 paid the Directors' Remuneration which is fixed by the board of Directors; and

10.11.1.2 reimbursed for any reasonable expenses incurred in respect of hotels, travelling and out of pocket expenses in connection with their attendance at meetings of Directors or Committees of Directors or General Meetings or otherwise in connection with the discharge of their duties subject to the production of satisfactory evidence and claims;

#### 10.12 ***Directors may contract with Company***


Subject to the provisions in the Act, a Director:

10.12.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company, or in which the Company is otherwise interested;

10.12.2 may be a Director or other office of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested;

10.12.3 shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit provided that the Director shall have given prior notice of such transaction, arrangement or employment; and





10.12.4 may not vote as a Director in respect of any contract or arrangement in which he is interested as aforesaid, and the nature of his interest shall be disclosed by him at the meeting of the Directors at which the contract or arrangement is first taken into consideration, if his interest then exists, or in any other case at the first meeting of the Directors after the acquisition of his interest.

## 11 PROCEEDINGS OF DIRECTORS

### 11.1 *Meetings of Directors*

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

### 11.2 *Quorum*

The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed shall be three and at least two of the three Directors shall be Non-Executive Directors.

### 11.3 *How questions to be decided*

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

### 11.4 *Appointment of Chairman*


11.4.1 The Directors at their first meeting after the Annual General Meeting in each year shall elect one Non-Executive Director, other than the Senior Independent Director, to be Chairman and may, if they see fit, elect another Non-Executive Director to be Deputy Chairman (in the absence of which the Senior Independent Director shall be the Deputy Chairman), and may determine the period for which such officers shall respectively hold office.

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

### 11.5 *Notice of meetings of Directors*

The Chairman, or in his absence or incapacity to act the Deputy-Chairman (if there be one), or any Director, may by written notice to the Secretary, or person performing the duties of Secretary, require a meeting of Directors to be called. A meeting of





Directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles for the time being vested in, or exercisable by, the Directors generally.

**11.6 *Committee of Directors***

The Directors may delegate any of the powers which are conferred on them under these Articles to a Committee of Directors consisting of two or more members of their body as they may think fit but any committee so formed shall, in the exercise of the powers delegated, conform to any regulations imposed on them by the Directors

**11.7 *Meetings of Committees of Directors***

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

**11.8 *Chairman and Deputy Chairman of Directors to be Chairman and Deputy Chairman of Company***

The Chairman shall be the Chairman of the Company and in like manner the Deputy Chairman (if any) shall be the Deputy-Chairman of the Company.

**11.9 *Absence of Chairman***

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

**11.10 *Validity of proceedings***


Every bona fide act of the Directors or a Committee of Directors or of any person acting as Director shall, notwithstanding any defect in the appointment or any disqualification of any person who is party to or doing the act which may afterwards be discovered, be as valid as if there had been no such defect or disqualification.

**11.11 *Resolutions in writing***

A resolution in writing, signed by all the Directors entitled to receive notice of a meeting of Directors or Committee of Directors shall be as valid and effective as if it had been passed at a meeting of Directors (or as the case may be) Committee Directors duly convened and held. Such a resolution may consist of several documents in the same form, each signed by one or more of the Directors. Where decisions of Directors or a Committee of Directors is taken by Electronic means, such decisions shall be recorded by the Directors in permanent form, so that they can be read by the naked eye.

**11.12 *Directors' resolutions by telephone and other means of communication***

A resolution of the Directors or Committee of Directors may be taken by means of a telephone conference or by any other means which allows all persons participating to effectively communicate with each other, including communication by Electronic Means. Any decision so arrived at will be deemed a decision of a meeting of the



Directors or Committee of Directors (as the case may be) and all of the provisions of these Articles relating to meetings of Directors will apply, mutatis mutandis. A Director participating in such a decision will be deemed to be present in person, and will be entitled to vote or be counted in a quorum accordingly. Such a decision will be deemed to have been arrived at where the largest group of those participating is assembled or, if there is no such group, where the Chairman of the proceedings was at the time.

## **12 MANAGING DIRECTOR AND SENIOR INDEPENDENT DIRECTOR**

### **12.1 *Appointment of Managing Director and Senior Independent Director***

The Directors shall appoint a Managing Director and Senior Independent Director and their term of office and remuneration shall be determined by the Directors from time to time.

### **12.2 *General conduct of the business of the Company***

The Managing Director shall conduct the general business of the Company under the control of the Directors, and shall keep proper accounts of the funds of the Company which accounts shall be audited from time to time as the Directors shall direct.

### **12.3 *Powers***

The Managing Director shall have power to accept a proposal from a Member and to hold him indemnified subject to all matters connected therewith being in accordance with the Articles and subject to the conditions printed on the Company's policies until the policy is prepared, and the premium (if any) due is paid, or notice given that the insurance is declined.

### **12.4 *Senior Independent Director***

The Senior Independent Director is an independent Non-Executive Director who is available as a trusted intermediary to Members and other Non-Executive Directors in particular if they have concerns which contact through the normal channels of Chairman, Managing Director or Non-Executive Director has failed to resolve, or for which such contact is inappropriate. The Directors may allocate additional duties or responsibilities to the Senior Independent Director.


## **13 POWERS OF DIRECTORS**

### **13.1 *General powers of the Company vested in the Directors***

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

### **13.2 *Power to appoint attorney***

The Directors may from time to time and at any time by power of attorney appoint any company, firm or person or body of persons, whether nominated directly or indirectly



by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him.

### 13.3 ***Cheques***

All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, and any electronic payment or transfer shall be made, in such manner as the Directors shall from time to time by resolution determine.

### 13.4 ***Minutes***


The Directors shall cause minutes to be stored physically providing a record of:


- 13.4.1 all appointments of officers made by the Directors;
- 13.4.2 the names of the Directors present at each meeting of the Directors and of any Committee of Directors;
- 13.4.3 all the resolutions and proceedings at all meetings of the Company, and of the Directors, and of any Committee of Directors.

### 13.5 ***Specific powers given to Directors***

Without prejudice to the general powers conferred by Article 13.1, and the other powers conferred by these Articles, it is hereby declared that the Directors shall have the following powers, that is to say:

- 13.5.1 to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit;
- 13.5.2 at their discretion to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash or in any securities of the Company, and any such securities may be either specifically charged upon all or part of the property of the Company or not so charged;
- 13.5.3 to exercise all borrowing powers of the Company;
- 13.5.4 to secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any part of the property of the Company for the time being, or in such other manner as they think fit;
- 13.5.5 to pay all or any of the costs, charges and expenses of or incidental to the raising of any loan;
- 13.5.6 to appoint and at their discretion remove or suspend such managers, employees and agents for permanent, temporary or special services as they from time to time think fit and to determine their powers and duties and fix their salaries or emoluments and to require security in such instances and to such amount as they think fit;

- 
- 13.5.7 to appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trust and to provide for the remuneration of such Trustee or Trustees;
  - 13.5.8 to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due and of any claims or demands by or against the Company;
  - 13.5.9 to refer any claims or demands by or against the Company to arbitration and to observe and perform the awards;
  - 13.5.10 to make and give receipts, releases and other discharges for money payable to the Company and for the claims and demands of the Company;
  - 13.5.11 to determine who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and documents or authorise electronic payments or transfers as provided by Article 22.1;
  - 13.5.12 to expend the funds of the Company in such manner as they shall consider most beneficial for the achievement of the objects and to invest and deal with any of the monies of the Company not immediately required for the purposes thereof in such purchases or upon such securities and in such manner as they think fit and from time to time to vary or realise the property and investments for the time being representing the same;
  - 13.5.13 to execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages, charges, encumbrances or other security of and upon the Company's property present and future as they think fit and any such mortgage, charge, encumbrance or security may contain a power of sale and such other powers, covenants and provisions as shall be agreed on;
  - 13.5.14 to remunerate any person or persons for any services rendered to the Company by commissions, percentages or otherwise, such remuneration to be treated as part of the working expenses of the business in respect of which the same shall have been paid;
  - 13.5.15 to enter into all such negotiations, guarantees and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company; and
  - 13.5.16 to authorise the use of the common seal of the Company in such manner as the Directors think fit in the presence of such persons as the Directors may from time to time by resolution determine and such persons shall sign



every instrument to which the common seal shall be affixed in their presence and, in favour of any person dealing with the Company, such signatures shall be conclusive evidence of the fact that the common seal has been properly affixed and unless otherwise so determined it shall be signed by a Director and by the Security or by a second Director.

## **14 SECRETARY**

- 14.1 The Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit; and any Secretary so appointed may be removed by them.
- 14.2 A provision of the Act or these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the Secretary.

## **15 FINANCIAL PROVISIONS**

### **15.1 *Application of funds***

The Directors shall have absolute power and authority subject to the provisions of the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2010) and any statute amending, extending or re-enacting the same:

- 15.1.1 to deal with, dispose of and apply the balances of each and every of the revenue and profit and loss accounts and with transfers to and from any reserve fund;
- 15.1.2 to apportion, allocate and divide any profits or interest to and among the Members or any of them in such manner and form as the Directors may think fit and either absolutely or conditionally.

### **15.2 *Mode of disposal***

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

### **15.3 *Transfer of Member's share of funds***

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

### **15.4 *Separate investment not necessary***

It shall not be necessary to invest separately the monies standing to separate credits, funds or departments in the Company's books.

## 16 POLICIES

Every policy issued on behalf of the Company shall be issued under the signatures or the printed facsimile signatures of the Managing Director and the Chairman for the time being respectively of the Company, unless otherwise determined by the Directors.

## 17 ACCOUNTS

### 17.1 *Departmental accounts to be kept*

The Directors shall cause full, true and plain accounts in accordance with Sections 386 and 387 of the Act to be kept in respect of each department for business for the time being transacted by the Company, of all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure take place and of the property, assets and liabilities of the Company. The books of accounts shall be kept at the Office or, subject to Sections 388 and 389 of the Act, at such other place or places as the Directors think fit and shall always be open to the inspection of the Directors.

### 17.2 *Annual accounts and balance sheet*

At the Annual General Meeting the Directors shall lay before the Company a statement of the accounts of the Company's business, a profit and loss account, and a balance sheet containing a summary of the property and liabilities of the Company, made up to a date not more than six months before the Annual General Meeting and twelve months from the time when the last preceding accounts and balance sheet were made up, and such group accounts (if any) shall be required by the Act to be laid before such meeting.

### 17.3 *Report of Directors to an annual balance sheet*

Every such balance sheet shall be accompanied by a report of the Directors as to state and condition of the Company and as to the amount (if any) which they propose to carry to any special fund, and the said accounts, report and balance sheet shall be signed by three Directors, which shall include the, Managing Director, the Chairman and one other Director determined by the Directors from time to time. The balance sheet shall have attached thereto the Company's auditors' report.

### 17.4 *Copies of annual accounts report and balance sheet to be issued*

A copy of such accounts, report and balance sheet which shall be posted on the Company's website at least twenty one days before the date of the Annual General Meeting. At the written request of a Member the Company shall send to him a hard copy of such accounts, report and balance sheet.

### 17.5 *Inspection of accounts and books*

A Member shall not have any right of inspecting any account or books of the Company, except as authorised by the Act, these Articles, the Directors or by resolution of a General Meeting.

### 17.6 *Valuations*

The Company shall, in respect of its business and accounts, duly comply, in all respects, with the provisions of the Insurance Companies Act 2015 and any statute amending, extending or re-enacting the same.

## 18 AUDITORS

The Company's auditors shall be appointed and undertake their duties in accordance with the Act.

## 19 OFFICE

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

## 20 INDEMNITY OF DIRECTORS AND OFFICERS

### 20.1 *Indemnity of Directors and other officers*

The Directors, Managing Director, Senior Independent Director, Secretary, Company auditor, trustees or other officer of the Company shall be indemnified out of the funds of the Company against any liability including without limitation all costs, charges, losses, damages and expenses which he incurs or is put to on account of any contract, act, deed, matter, or thing made, done, entered into or executed by him on behalf of the Company, and shall be reimbursed by the Company all reasonable expenses incurred by him in or about any legal proceedings or arbitration on account of the Company or otherwise in the execution of his office.

### 20.2 *Limitation of responsibility of Directors and Officers*

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

## 21 NOTICE


### 21.1 *Notice*

Save for Articles 7.2 and 11.5, any notice to be given to or by any person pursuant to these Articles shall be communicated in writing or to the extent permitted by statute and as approved by the Directors by Electronic Means in accordance with this Article 20:

21.1.1 subject to Article 21.3 any notice communicated in writing shall be delivered personally, or sent by first class pre-paid recorded delivery post, to the person due to receive that notice at the address notified by them; or

21.1.2 any notice communicated by Electronic Means shall be sent to the person due to receive that notice at the email address or fax number as notified by them.



- 
- 21.2 Subject to 21.3, any notice or other communication shall be deemed to have been served:
- 21.2.1 if delivered personally, when left at the address referred to in Article 21.1.1;
  - 21.2.2 if sent by first class pre-paid recorded delivery post, two days after posting it;
  - 21.2.3 if sent by Electronic Means, one hour from the time of transmission unless the sender has received notification that such email has not been delivered; or
  - 21.2.4 if communicated by advertisement on the website of the Company, the same day the notification is placed on the website of the Company.
- 21.3 The Company shall not be permitted to provide written notification to any person whose registered address is outside the United Kingdom.

## **22 MISCELLANEOUS**

### **22.1 *Cheques***

Cheques, authorisation of payments by Electronic Means and other documents referred to in Article 13.5.11 shall be well and sufficiently signed if signed as authorised by the Directors.

### **22.2 *Policy deemed to be effected on payment of premium***

A person taking out a policy with the Company is considered as assured for all purposes by the Company as soon as he has paid the first premium or deposit, and not refused to pay any balance in respect of the premium on the policy contracted to be granted to him, although the policy itself has not been actually issued.

### **22.3 *Payments to Members***

Any monies payable by the Company to any Member may be paid by cheque or bank credit transfer sent through the post to his address as appears in the records of the Company and every cheque so sent shall be made payable to or to the order of such Member or otherwise, as the Member may direct or by paid by electronic transfer to such account as the Member may direct in writing (and which details have been confirmed by the Company with the Member separately to minimise the risk of fraudulent activity).

## **23 DISSOLUTION**

### **23.1 *Provisions in event of voluntary winding-up***

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

### **23.2 *Surplus assets on dissolution***

On a dissolution, after all the liabilities of the Company have been provided for any surplus assets shall be paid to such charity or charities as the Directors may from time to time in their absolute discretion determine.



