



Memorandum and Rules

Effective 1st January 2008

DENTISTS'
PROVIDENT

MEMORANDUM OF THE DENTISTS' PROVIDENT SOCIETY LIMITED

under the Friendly Societies Act 1992
Register No: 407F
Registered Office
Registered and incorporated 91-94 Saffron Hill, London EC1N 8QP

Friendly Societies Act 1992 - Incorporated Friendly Society

1. NAME

The Society is an incorporated friendly society. It is called the Dentists' Provident Society Limited, and is hereinafter referred to as "the Society".

2. REGISTERED OFFICE

The Society's registered office is to be situate in England and Wales. The address of the registered office shall be 91-94 Saffron Hill, London EC1N 8QP.

3. PURPOSES

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

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

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

Number Description Nature of Business

- I Life and annuity Effecting and carrying out contracts of insurance on human life or contracts to pay annuities on human life, but excluding (in each case) contracts within Class III below.
- II Marriage and Birth Effecting and carrying out contracts of insurance to provide a sum on marriage or on the birth of a child, being contracts expressed to be in effect for a period of more than one year.
- III Linked long term Effecting and carrying out contracts of insurance on human life or contracts to pay annuities on human life where the benefits are wholly or partly to be determined by reference to the value of, or the income from, property of any description (whether or not specified in the contracts) or by reference to fluctuation in, or in an index of, the value of property of any description (whether or not specified).
- IV Permanent health Effecting and carrying out contracts of insurance providing specified benefits against risks of persons becoming incapacitated in consequence of sustaining injury as a result of an accident or of an accident of a specified class or of sickness or infirmity, being contracts that:
 - (a) are expressed to be in effect for a period of not less than five years, or until the normal retirement age for the persons concerned, or without limit of time; and
 - (b) either are not expressed to be terminable by the insurer, or are expressed to be so terminable only in special circumstances mentioned in the contract.
- V Tontines Effecting and carrying out tontines.
- VI Capital Redemption Effecting and carrying out capital redemption contracts.
- VII Pension Fund Management Effecting and carrying out:
 - (a) contracts to manage the investments of pension funds; or

- (b) contracts of the kind mentioned in paragraph (a) above that are combined with contracts of insurance covering either conservation of capital or payment of a minimum interest.

D. Activities carried out in accordance with the Society's Rules (or with arrangements made under the Rules) whereby discretionary benefits are provided:

- (a) for the education of any persons;
 - (b) for the relief or maintenance of any persons during sickness, when out of employment or when in distressed circumstances; or
 - (c) for the funeral expenses of any persons;
- but, save as may otherwise be provided from time to time by law, only to the extent that such activities do not constitute the carrying on of commercial business.

(2) In addition the Society may carry on:

- (a) social or benevolent activities which are not inconsistent with the other purposes of the Society;
- (b) group insurance;
- (c) reinsurance of risks for any other registered Friendly Society or an incorporated Friendly Society.
- (d) Control or joint control of bodies corporate which are companies whose objects are limited in each case to any one or more of the activities described in Schedule 7 to the Friendly Societies Act 1992. But the Society shall not enter into joint control of a body corporate without first receiving the consent of the Commission unless the joint control is with another incorporated friendly society.

(3) The activities listed below shall be carried on outside the United Kingdom:

- (1) promotion of the Society's services and activities to prospective members studying or resident outside the United Kingdom with a view to receiving applications for and effecting and performing contracts within the United Kingdom.
- (2) communication with members resident outside the United Kingdom in respect of the affairs of the Society and contracts so effected and performed.

4. POWERS

(1) Investment of Funds

The Society may invest its funds in accordance with Rule 6.18.

(2) Holding of Land (for purposes other than investment)

The Society may acquire and hold land -

- (i) for the purpose of carrying on any of its activities; or
- (ii) for the purpose of enabling a subsidiary of the Society, or a body jointly controlled by it, to conduct its business;

and may dispose of, or otherwise deal with, any land so held by it.

(3) Assistance to subsidiaries and jointly controlled bodies

(i) The Society may provide its subsidiaries or bodies which it jointly controls with any of the following services:-

- (a) loans of money, with or without security and whether or not at interest;
- (b) the use of services or property, whether or not for payment;
- (c) grants of money, whether or not repayable; and
- (d) guarantees of the discharge of their liabilities;

(ii) The Society may make payments towards the discharge of the liabilities of any of its subsidiaries.

- (4) Loans to assured members
- (i) The Society may advance to a member of at least one full year's standing any sum not exceeding one half of the amount of an assurance on the member's life, on the written security of the member and two satisfactory sureties for repayment.
 - (ii) The amount so advanced, with all interest on it, may be deducted from the sum assured, without prejudice in the meantime to the operation of the security.
 - (iii) A person's membership of the Society before the Society's incorporation is to be taken into account in calculating his standing for the purpose of this clause.
- (5) Loans to Members out of a separate Loan Fund
- (i) The Society may out of a separate loan fund formed by contributions or deposits from its members, make loans to members on their personal security, with or without sureties subject to the restrictions in sub-paragraphs (ii) to (iv) below.
 - (ii) A loan shall not at any time be made out of money contributed otherwise than for the purpose of the loan fund.
 - (iii) A member shall not be capable of holding any interest in the loan fund exceeding £800 or such greater sum as the Commission may specify from time to time.
 - (iv) The Society shall not:-
 - (a) make any loan to a member on personal security beyond the amount fixed by the Rules, or make any loan which, together with any money owing by a member to the Society, exceeds £200 or such greater sum as the Commission may specify from time to time; or
 - (b) hold at any one time on deposit from its members any money beyond the amount fixed by the Rules, and the amount so fixed shall not exceed two thirds of the total sums owing to the Society by the members who have borrowed from the loan fund.
- (6) Investment of funds in a Housing Association
- (i) The Society may invest funds of the Society in subscribing for any of the share or loan capital of a housing association (within the meaning of the Housing Associations Act 1985) other than shares or debentures not fully paid up at the time of issue.
 - (ii) This paragraph has effect without prejudice to any other power the Society may have which is authorised by the Act.
- (7) Accumulation of Surplus subscriptions for use of Members
- The Society may accumulate at interest, for the use of any member, any surplus of subscriptions to the funds of the Society which may remain after providing for any assurance in respect of which they are paid and for the withdrawal of the accumulations.
- (8) Administration, Management and Incidental Matters
- The Society may engage and remunerate staff and other advisers and do and pay for out of the Society's funds all such other things as are incidental or conducive to the attainment of the above purposes and the promotion and management of the Society's authorised activities or any of them.

5. LIMITATION OF LIABILITY OF MEMBERS

The liability of the members is limited to the amount of any subscription to the Society which is outstanding. No subscription of a member of an incorporated friendly society shall be recoverable at law except on the winding up of the Society.

We, the several persons whose names addresses are given below are Members of the Dentists' Provident Society authorised by it and desirous of joining together to establish an Incorporated Friendly Society in pursuance of the provisions of the Friendly Societies Act 1992 and of this Memorandum.

| Edward Oswald James - Dental Surgeon
Avenue Villa Dental Surgery,
Lloyd Street, Llanelli

Humphrey Collins Tippett - Dental Surgeon
Broad Acres, East Drive,
Angmering, West Sussex

Lajos Ignac Nagy - Dental Surgeon
6 Dartford Road, Sevenoaks,
Kent TN13 3TQ

Frank Coffin - Dental Surgeon
7 Bulstrode Place, Marylebone,
London W1M 5FW

Michael John Clayton Wake - Consultant Oral Surgeon
The Lodge, Frederick Road,
Edgbaston, Birmingham B15 1JN

Daniel John Mehigan - Dental Surgeon
4 Chaundrye Close,
London SE9 5QB

Frank Gibson - Dental Surgeon
35 Broadwater Road,
Worthing BN14 8AH

DATED this 29 day of October 1993

Witness to the above signatures - P E Hawley
Walker Martineau 64 Queen Street, London EC4R 1AD Solicitors

Rules of Dentists' Provident Society Limited

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I DEFINITIONS

In these **Rules**, the **Tables** and the **Rate Tables**, the following terms shall have the meanings set out opposite them below:

Act	The Friendly Societies Act 1992.
Actuary	The person(s) appointed as the actuary and/or with profits actuary to the Society in accordance with the requirements of the Act and the Regulator .
Alternative Currencies Option	The election of a Member to pay Premiums and receive Benefits in an alternative currency in accordance with Rule 5.7.
Alternative Definition of Incapacity	<p>If the Member is in employment (either employed under a contract of service or self-employed under a contract for services) and following their Insured Occupation immediately prior to the commencement of the injury, illness or disease giving rise to the claim, incapacity means:</p> <p>For the first two years following the completion of the Deferred Period:</p> <p>(a) the Society is satisfied that the Member remains unable to by reason of injury or illness to perform the Material and Substantial Duties of their Insured Occupation, and</p> <p>(b) the Member is not following any occupation, except as provided in Rules 4.5 or 4.6, and</p> <p>(c) the Member is suffering a Material Reduction in Earnings.</p> <p>Beginning immediately after the first two years following the completion of the Deferred Period:</p> <p>(a) the Society is satisfied that the Member remains unable to by reason of injury or illness to perform the Material and Substantial Duties of their Insured Occupation, and</p> <p>(b) the Member is unable by reason of illness or injury to follow any other occupation for which the Member is reasonably fitted by reason of training, education or experience, and</p> <p>(b) the Member is not following any occupation, except as provided in Rules 4.5 or 4.6, and</p> <p>(c) the Member is suffering a Material Reduction in Earnings.</p>
Annual Report and Financial Statements	The annual report of the Board , the balance sheet, the income and expenditure account and the related notes and such other disclosures and statements as required by Relevant Legislation .
Arrears	Any Premiums which have fallen due and not been paid and any Member who has failed to pay any Premiums by the due date is In Arrears .
Base Premium Rates	The base rate of Premium on an age attained basis as set out in the Rate Tables .
Benefits	<p>Benefits comprise:</p> <ul style="list-style-type: none"> • Sickness Benefits (including any adjustments/payments made under an Option); • Severe Disability Benefit; • Enhanced Death Benefit; and • Any bonuses paid to Members on withdrawal of funds or credited to the Member's Bonus Account.
Board / Board of Directors	The Society's committee of management
Chief Executive	The person appointed to the post of chief executive of the Society under Rule 7.7.
Commuted Member	Any Insured Member making an election under Rule 3.13 or a member of staff of the Society who has applied to become a Commuted Member in accordance with Rule 3.1.2 and has been accepted.

Contract Year	The period from 1 January to 31 December in any year of Membership of the Society , except: <ul style="list-style-type: none"> • in the first year, when the Contract Year shall run from the date of acceptance of Membership to the next 31 December, and • in the year in which the contract reaches the Maturity Date, Contract Year shall mean the period from 1 January of that year to the Maturity Date.
Continuing Income	The pre-tax income received by the Member or to which they become entitled or waiver of a regular payment due from the Member during the period of Incapacity and includes: <ul style="list-style-type: none"> • the weekly amount of benefits due under any insurances against Incapacity due to illness or accident of the Member, which results in regular payments to the Member or to some other third party on behalf of the Member, or waiver of a regular payment by the Member or by some other third party on behalf of the Member. This includes any payments due to Incapacity under any income protection, mortgage protection, loan, finance or credit protection policies, and any premiums waived due to incapacity on any policies or contracts; • the weekly equivalent of any continuing salary, commission, profit share, pension (unless the pension was being received by the Member, prior to application for Membership or increase), and any other income (including Dividends and benefits in kind) from such other occupations in which the Member has ever engaged; and • the Society's best estimate of the weekly equivalent total open market remuneration for any non-remunerative work undertaken by the Member during Incapacity.
Crown Dependencies	The Crown Dependencies comprise: <ul style="list-style-type: none"> • the Bailiwick of Guernsey (including Alderney, Sark and Herm), • the Isle of Man, and • the Bailiwick of Jersey.
Current Earnings	The pre-tax income received by the Member or to which they become entitled during the period of Incapacity and includes: <ul style="list-style-type: none"> • the weekly equivalent of any continuing salary, commission, profit share, pension (unless the pension was being received by the Member, prior to application for membership or increase), and any other income (including Dividends and benefits in kind) from such other occupations in which the Member has ever engaged; and • the Society's best estimate of the weekly equivalent total open market remuneration for any non-remunerative work undertaken by the Member during Incapacity.
Deferred Period	The period of time that the Member must be absent from work due to Incapacity before receiving Sickness Benefits , in accordance with Rule 4.2.2.
Director / The Director / The Directors	An individual or group of members of the Board .
Dividends	Any Dividends declared by a close company (as defined in ICTA 1988), where the Member is the ultimate beneficiary, in which: <ul style="list-style-type: none"> • the Member is an employee or a director; and • the Member or an associate (as defined in ICTA 1988) has an interest.
Enhanced Death Benefit Option	A benefit payable to a Member in accordance with Rule 5.10.
Escalation Option	The option of a Member to receive escalating Sickness Benefits in accordance with Rule 5.3.
FSMA	The Financial Services and Markets Act 2000.
Hazardous Activity	Any regular physical, social, occupational, lifestyle or other activity which in the opinion of the Society , materially increases the Member's risk of Incapacity compared with the standard risks insured by the Society .
HMRC	Her Majesty's Revenue and Customs.
Incapacity	Has the definition of incapacity in Rule 4.1 and Incapacitated shall be construed accordingly.

Increasable Sickness Benefits Option	The option of a Member to increase the Member's Sickness Benefits in accordance with Rule 5.6.
Indexation Option	The option of a Member to apply indexation to a Member's Sickness Benefits in accordance with the Consumer Price Index and the provisions of Rule 5.2.
ICTA 1988	Income and Corporation Taxes Act 1988
Insured Member	Any Member who is entitled to claim Sickness Benefits from the Society .
Insured Occupation	Any occupation or occupations followed by the Member or prospective Member for profit or reward, as declared on the application form to the Society or in the event of a subsequent change in Insured Occupation , such other occupation or occupations as notified to the Society in accordance with Rule 6.22.4 and acknowledged by the Society in writing.
Level Premiums Option	The option of a Member to pay a level Premium in accordance with Rule 5.4.
Level Benefit Option	The payment of the Sickness Benefits at a constant rate in accordance with Rule 5.8.
Material Information	Any information which may influence: <ul style="list-style-type: none"> • an application to the Society for Membership or variation to Membership; • an assessment by the Society for Membership or variation to Membership; • acceptance by the Society of an application for Membership or variation to Membership and any associated terms; • a claim by a Member for Sickness Benefits; • amount of any Sickness Benefits paid by the Society to a Member; • a change in Sickness Benefits paid by the Society to a Member; or • the Society's decision to continue payment of a claim for Sickness Benefits.
Material Reduction in Earnings	A reduction in earnings equal to 20% or more of the Pre-Incapacity Earnings during the period of Incapacity or, if there were exceptional circumstances during the period of Pre-Incapacity Earnings , such other material reduction in earnings as the Society considers appropriate in its absolute discretion.
Material and Substantial Duties	The duties that the Member normally performs in their Insured Occupation and these duties cannot be reasonably omitted by the Member or their employer.
Maternity Leave	For employed individuals, the period of time during which they are entitled to receive maternity pay from their employer. For self-employed individuals, a period commencing four weeks before expected date of childbirth and ending eight weeks after childbirth.
Maturity Date	The date at which the entitlement to Sickness Benefits will cease determined as set out in Rule 3.14.1.
Maximum Insurable Income	The income calculated in accordance with the criteria for Maximum Insurable Income in the Tables .
Medical Practitioner	A person who is not closely connected to the Member and who is currently authorised to practice medicine in the Membership Area by the Relevant Supervisory Body .
Member	A person who has applied and been accepted as a member of the Society and Membership shall be construed accordingly.
Member's Bonus Account	The total of any accumulated bonuses held to the credit of the Member by the Society .
Members' Notice	A notice meeting the requirements set out in Rule 6.8.4
Membership Area	The United Kingdom , the Crown Dependencies and Republic of Ireland.
Memorandum	The memorandum of the Society .
Officers	The Directors , the Chief Executive and the Secretary .
Options	Each of the following: <ul style="list-style-type: none"> • Indexation Option • Escalation Option • Level Premiums Option • Retirement Age Option • Increasable Sickness Benefits Option

	<ul style="list-style-type: none"> • Alternative Currencies Option • Level Benefit Option • Severe Disability Benefit Option • Enhanced Death Benefit Option.
Packaged Contract	A combination of Options and/or Deferred Periods and/or levels of Sickness Benefit offered by the Society to Members from time to time.
Paid-up Member	Any Member who makes an election under Rule 3.17.
Permanent Resident	The permanent residential status of an individual as determined for the purposes of income tax.
Pre-Incapacity Earnings	<p>Includes earnings from all the Member's remunerative occupations, as follows:</p> <ul style="list-style-type: none"> ▪ For earnings from self employment: <ul style="list-style-type: none"> - the Member's share of pre-tax profits after deduction of business expenses from their trade, profession or vocation in the tax year immediately prior to the commencement of Incapacity (as calculated for the purposes of income tax under Schedule D case I and II of ICTA 1988 and agreed by HMRC in the UK or assessed for income tax or its equivalent and agreed by the tax authorities for earnings outside the UK), or - If the Member was Incapacitated for six weeks or more in the tax year prior to start of current Incapacity, the 52 week average of the Member's share of pre-tax profits in the three tax years immediately prior to commencement of current Incapacity - Adjustments for carry back of losses, overlap profits or losses, enhanced capital allowances (but not for regular capital allowances or waiver of regular capital allowances) and balancing allowances or charges will be excluded from the calculation of Pre-Incapacity Earnings. ▪ For earnings for employees: <ul style="list-style-type: none"> - the Member's pre-tax earnings subject to PAYE in the tax year immediately prior to the commencement of Incapacity (as currently stated on HMRC form P60 in respect of earnings in the UK or its equivalent and agreed by the tax authorities for earnings outside the UK), and - Benefits in kind received by the Member in the tax year immediately prior to the commencement of Incapacity (as currently shown on HMRC form P11D) - Dividends beneficially accruing to the Member in the tax year prior to the commencement of Incapacity. The Dividends included in the calculation of Pre-Incapacity Earnings shall not exceed the Member's beneficial share of profits in the close private limited company in the tax year prior to the commencement of Incapacity.
Premium	Contributions by a Member to the Society in return for the right to receive Sickness Benefits and to share in the funds of the Society .
Proportionate Benefit	The payment to a Member of a proportion of Sickness Benefit in accordance with Rule 4.5.
Rate Tables	The tables setting out the Premiums payable by the Member based on the Shares and Benefits held by the Member as published by the Society from time to time.
Registered Office	91-94 Saffron Hill, London EC1N 8QP or such other address in England and Wales as the Board may determine from time to time in accordance with Rule 6.23.2.
Regulator	The Financial Services Authority or any successor established by legislation to supervise friendly societies carrying on similar business to that of the Society in the United Kingdom.
Rehabilitation Benefit	The payment to a Member of a reduced amount of Sickness Benefit in accordance with Rule 4.6.
Relevant Legislation	The Act, the FSMA and all regulations made thereunder and every other enactment or regulation for the time being in force relating to an incorporated friendly society carrying on a similar business to the Society and with its registered office situated in England and Wales.

Relevant Supervisory Body	Any of the statutory regulatory bodies responsible for the registration and regulation of the medical and/or dental professions in the Membership Area .
Remuneration Committee	The committee of non-executive Directors referred to in Rule 7.4.1.
Remuneration Report	the report prepared by the Remuneration Committee which shall include the matters required under Schedule 7A to the Companies Act 1985 to be included in the directors' remuneration report of a company to which that Schedule applies.
Retirement Age Option	The option of a Member to extend the retirement age of the Member's contract in accordance with Rule 5.5.
Rules	These rules of the Society .
Schedule of Benefits	A schedule provided to the Member by the Society setting out a summary of the Benefits and Options for which the Member has subscribed and any varied or special terms and conditions applicable to the individual's Membership of, and entitlement to Benefits from, the Society .
Secretary	The person appointed to the post of secretary of the Society under Rule 7.7
Severe Disability Benefit	A benefit payable to a Member in accordance with Rule 5.9.
Shares	The entitlement to participate in the funds of the Society in proportion to Premium paid.
Sickness Benefits	Amounts paid to or on behalf of the Member by the Society in accordance with the Rules by reason of the Incapacity of the Member .
Sickness Benefit Units	The units by which entitlement to Sickness Benefit is calculated as set out in section T2.2 of the Tables
Society	The Dentists' Provident Society Limited.
Subjective Illness	Any physical or mental symptoms as described by the Member to the Medical Practitioner where the Member does not display any abnormalities that can be detected and monitored by objective diagnostic procedures including, but not limited to, surgery and x-ray.
Suspended Member	Any Member who makes an election under Rule 3.18.
Tables	The tables attached to these Rules as amended from time to time.
UK/United Kingdom	England, Scotland, Wales and Northern Ireland only.

II INTERPRETATION

- 2.1 In these Rules, unless the context requires otherwise, reference to one gender shall include all genders and references to the singular shall include the plural and vice versa.
- 2.2 In these Rules, unless the context requires otherwise, further words and expressions which are defined in sections 116 and 119 (inclusive) of the **Act** or in the rules made by the Regulator under section 138 of **FSMA** shall have the meanings given in those sections or in those rules.
- 2.3 In these Rules any reference to any statute or statutory instrument refers to that statute or statutory instrument as amended, varied or re-enacted from time to time.
- 2.4 Headings to Rules or sets of Rules are for convenience only and shall not affect the interpretation of these Rules.

III RULES – MEMBERSHIP AND ADMINISTRATION

3.1 Application for Membership

3.1.1 To be eligible for admission to **Membership** of the **Society** individuals must be:

- **Permanent Residents** of the **Membership Area**;
- actively working at their usual occupation, which shall ordinarily be within the **Membership Area**;
- registered with a **Relevant Supervisory Body** to practice in the dental profession in the **Membership Area**; and
- Over 18 years and below 50 years of age.

3.1.2 In addition, any individual in permanent employment with the **Society** (or a subsidiary of the **Society**) may apply to become a **Commuted Member** of the **Society** at any time after completing their probation.

3.2 Application for changes in Sickness Benefits

3.2.1 **Insured Members** may apply for increased **Sickness Benefits** at any time before their 50th birthday.

3.2.2 **Insured Members** may request to reduce their **Sickness Benefits** at any time.

3.2.3 Any reductions in **Sickness Benefit** shall affect the most recent levels of **Sickness Benefit** first.

3.3 Evidence

3.3.1 Individuals, applying for **Membership**, or any variation to their **Membership** (including altering their **Sickness Benefits** or **Options** or exercising **Options**), shall provide all medical, financial, and personal information as requested by the **Society**.

3.3.2 The **Society** has the right to request any individual applying for **Membership** or any variation to their **Membership** (including altering their **Sickness Benefits** or **Options** or exercising **Options**), to undergo any examination or investigation by a person appointed or approved by the **Society** on any matter connected with the application. The cost of the examination or investigation shall be paid by the **Society**.

3.4 Right of Refusal

The **Society** has the right to decline an application for **Membership**, or any variation to their **Membership** (including increase in **Sickness Benefits**, **Option**, or extension of retirement age by any individual) at its sole discretion. The **Society** is not obliged to provide the individual concerned with an explanation of such a refusal.

3.5 Appropriate Level of Sickness Benefits

Members are responsible for ensuring that the **Benefits** are appropriate to their circumstances and within the limits set down in the **Rules** and **Tables**. **Members** will be notified of the effective date of **Membership**, or any variation to their **Membership**, **Options** or changes to **Benefits**.

3.6 Special Conditions

3.6.1 In the case of any application for **Membership** or any variation to their **Membership** (including increase in **Sickness Benefits** or **Options** and exercising **Options**), where the applicant:

- has a pre-existing illness or medical condition;
- engages or intends to engage in any **Hazardous Activity**;

- displays any symptoms, which may result in an increased risk of **Incapacity** in the future; or
- is unable to provide any relevant evidence to the **Society's** satisfaction,

the **Society** may, notwithstanding anything to the contrary in these Rules:

- apply the **Alternative Definition of Incapacity**;
- increase the Deferred Period;
- restrict the **Sickness Benefits**;
- vary the rate of **Premiums**;
- amend the **Maturity Date**;
- decline all or part of the application; or
- modify or add additional terms, conditions or restrictions

The **Member** will be notified in writing of all variations to the terms and conditions set out in the **Rules**.

- 3.6.2 Without prejudice to the **Society's** powers under Rule 3.6.1 where circumstances have changed, an **Insured Member** whose terms and conditions of insurance affecting **Maximum Insurable Earnings** and **Maturity Date** under the **Rules** in force immediately before the coming into effect of the **Rules** shall continue to be insured under terms and conditions affecting **Maximum Insurable Earnings** and **Maturity Date** which are no worse than those enjoyed by him immediately before the coming into effect of the **Rules** even though such terms and conditions may not be set out expressly in the **Rules**.

3.7 Premiums

- 3.7.1 Every **Member** of the **Society** shall pay **Premiums** at the **Base Premium Rates** set out in the **Rate Tables**, adjusted in accordance with this Rule 3.7.
- 3.7.2 The **Society** will calculate the **Premiums** due for each **Contract Year**, taking into account the terms and conditions set out in the **Rules** and **Tables** and subject to any variations notified to a **Member** individually. The **Society** will notify the **Member** of the **Premiums** calculated under this **Rule**. **Members** will be notified of any changes to **Premiums** arising in the **Contract Year** due to changes in **Membership** status, or from changes in the level of **Benefits**.
- 3.7.3 All **Premiums** are payable in advance of any cover provided under the **Membership** of the **Society**. **Members** may elect to pay their **Premiums** monthly, quarterly, half-yearly or annually in advance. Each monthly **Premium** relates to one month's cover. Each quarterly **Premium** relates to three months' cover. Each half yearly **Premium** relates to six months' cover. Each annual **Premium** relates to one year's cover.
- 3.7.4 The **Premiums** under the payment options are due as follows:
- | | |
|-------------------------------|---|
| Monthly Premiums : | 1 st working day of the month |
| Quarterly Premiums : | 1 st working day of January, April, July and October |
| Half yearly Premiums : | 1 st working day of January and July |
| Annual Premiums : | 1 st working day of January |

Employees of the **Society** who are **Commutated Members** of the **Society** shall pay **Premiums** on a monthly basis by deduction from payroll.

- 3.7.5 The **Rate Tables** and all **Premiums** are reviewable. The assumptions used to calculate the **Premiums** will be reviewed at least once in each calendar year by the **Actuary**. Any change in **Premiums** will be effected on 1st January following the review date. At the review, the **Actuary** will consider the assumptions relating to:
- past and expected future claims experience (including morbidity, mortality and lapse rates);
 - the **Society's** income and expenditure;

- statutory solvency requirements;
- gender, occupation, location of the **Members**;
- legal, regulatory and compliance environment and decisions;
- changes in taxation regime affecting the **Member** or the **Society**;
- changes in eligibility for benefit criteria;
- terms of any reinsurance arrangements used to support the **Benefits** offered by the **Society**.

3.7.6 In reviewing the assumptions, the **Actuary** will analyse the **Society's** claims experience, industry claims experience and the impact of future medical advances and practices. The **Actuary** will compare the assumptions that are applicable at the time of the review with those used previously and, by reference to that comparison, use a fair and reasonable method of calculating any change in the **Premiums**. The **Premiums** may therefore increase or decrease at each review as a result of the revised assumptions. There is no upper limit to the increase or decrease that may apply.

3.7.7 Changes in **Premium** will not depend on a particular **Member's** individual circumstances, for example the **Member's** health, at the time of the review.

3.7.8 The **Society** will give **Members** directly affected by any change in **Premiums** at least 60 days' notice before it makes any change. If the **Society** advises the **Member** of an increase in **Premiums** as a result of a review, then the **Member** can choose to continue paying the previous amount and their cover will be reduced to a level available for the existing **Premiums**. **Members** must notify the **Society** of their wish to reduce the cover at least 14 days before the change would otherwise have taken effect, and the reduced cover will apply from that date.

3.8 Change of Risk

3.8.1 A **Member** must inform the **Society** before, or where prior notification is not possible as soon as reasonably practicable after, any change in risk relating to the **Member**, including but not limited to actual or planned participation in any **Hazardous Activity**, not previously notified to the **Society**, ceasing work or a change of **Insured Occupation** before the **Maturity Date** or material reduction in **Maximum Insurable Income**.

3.8.2 Upon a change of risk of a **Member** and in line with reasonable underwriting practice, the **Society** may:

- alter the **Deferred Period**;
- amend the level of **Sickness Benefits**;
- amend the level of cover held by the **Member**;
- vary the rate of **Premiums** paid by the **Member**;
- amend the **Maturity Date**;
- cancel the **Membership**; or
- modify or add additional terms and conditions of **Membership**.

3.8.3 The **Member** will be notified in writing of the cancellation or any variation to the terms and conditions of **Membership** of the **Society**.

3.8.4 Any failure to give the **Society** reasonable notice of a change in risk before the change occurs may result in the provisions in Rule 3.8.2 being applied from such a date as the **Society** considers appropriate (which may be retrospective).

3.8.5 **Members** shall not be entitled to refund of **Premiums** arising from a failure to notify the **Society** of a change in risk in accordance with Rule 3.8.

3.9 Register of names and addresses of Members

3.9.1 The **Society** will maintain a register of names and addresses of the **Members** at the **Registered Office** of the **Society** or such other place as the **Board** considers appropriate.

3.9.2 **Members** must notify the **Society** in writing, within 30 days of any change of address. If a **Member** fails to notify the **Society** in writing of a change of address, the **Society** shall not be liable for any financial or other loss suffered by the **Member** from changes in entitlement to **Benefits** or from any other reason.

3.9.3 If it appears to the **Society** that the address for a **Member** is no longer current, the **Society**:

- may remove that address from the register of addresses; and
- need not enter any address for the **Member** on the register while the whereabouts of the **Member** are unknown.

3.9.4 **Members** must notify the **Society** in writing of any change of name along with original or certified copies of the relevant Deed Poll or marriage certificate. The **Society** shall not be liable for any consequential loss suffered by the **Member** arising from failure to notify it of a change of name.

3.10 **Surpluses and Bonuses**

3.10.1 Any surplus funds may be distributed by adding bonuses to the **Member's Bonus Accounts**, where the terms of the contract includes an entitlement to share in the profits.

3.10.2 The bonuses for different classes or groups of members will be determined by the **Board** on the advice of the **Actuary**.

3.10.3 In the event the income and undistributed surpluses of the **Society** are insufficient in any year to meet the cost of claims and/or expenses (including any required changes in provisions and/or capital resources), the bonuses previously allocated to individual **Members' Bonus Accounts** will be used to make good any deficiency, pro-rata, by reference to the balance on the **Members' Bonus Accounts** at the immediately preceding 31 December.

3.10.4 The **Board** may apply such bonuses or reductions to individual **Members' Bonus Accounts** on partial withdrawals or cessation of **Membership** as advised by the **Actuary**.

3.11 **Reinsurance of Risks**

The **Society** may carry out reinsurance business subject to the approval and any limitations set by the **Actuary**, comprising:

- all or part of risks undertaken by the **Society** in the course of providing **Benefits** to the **Members** with any proper and recognised insurer; or
- all or part of risks of another friendly society, which are in the same class of insurance business undertaken by the **Society**.

3.12 **Arrears**

3.12.1 **Members** are not entitled to **Benefits** whilst they are **In Arrears** with their **Premiums**. At the discretion of the **Board** any **Member** not more than 30 days **In Arrears** with their **Premiums** may be permitted to receive **Benefits** and the **Society** shall be empowered to deduct from the **Benefits** the amount of the **Arrears**.

3.12.2 Any **Member** 30 days or more **In Arrears** with their **Premiums** will be ineligible to receive **Benefits** and, if already in receipt of **Sickness Benefit**, is liable to have **Benefits** suspended. Any request by a **Member**, ineligible for **Benefits** or whose **Benefits** have been suspended under this Rule, to resume **Benefits** will be treated as an application to increase **Sickness Benefits** and will be subject to the rules governing the eligibility, processing and acceptance of applications to increase **Sickness Benefits** with the **Society** by **Insured Members**. The **Society** reserves the right to decline an application or apply

special terms in accordance with Rule 3.6 to a **Member** wishing to resume as an **Insured Member**.

- 3.12.3 The **Society** has the right to cancel the **Membership** of any **Member** who is more than 45 days **In Arrears** with all or part of their **Premiums**.
- 3.12.4 If **Premium** receipts from **Members** are insufficient to clear all outstanding **Arrears** they will be applied against the longest outstanding **Arrears** first.
- 3.12.5 If membership of the **Society** is cancelled in accordance with Rule 3.12, the **Society** will deduct the outstanding **Arrears** from the balance on the **Member's Bonus Account**. Any such deductions will be deemed to have been made on 1 January of the year in which the **Arrears** arose. Any remaining balance on the **Member's Bonus Account**, will be repaid to the member within 30 days of the cancellation of **Membership**.
- 3.12.6 The **Society** may in its absolute discretion, permit **Members** in financial distress to enter into special arrangements for the settlement of any **Arrears**, on such terms as the **Society** considers appropriate.
- 3.12.7 As a condition for allowing a **Member**, whose **Benefits** are suspended under this Rule, to resume **Benefits**, **The Society** may prescribe the method and frequency of payment of premiums in its absolute discretion.

3.13 **Commutated Membership**

- 3.13.1 The following individuals are entitled to apply for **Commutated Membership** of the **Society**:
- **Members** over the age of 50 years (save for **Paid-up Members**); and
 - permanent employees of the **Society**.
- 3.13.2 **Commutated Members** may apply for such numbers of **Shares** and at such rates as set out in the **Tables**.
- 3.13.3 **Commutated Members** will not be entitled to any **Sickness Benefits**.
- 3.13.4 **Commutated Members** may cancel their **Membership** at any time by notifying the **Society** in writing and receive the balance on their **Member's Bonus Account** subject to any adjustment in accordance with Rule 3.10.
- 3.13.5 In accordance with Rule 3.10.4, the **Society** in its absolute discretion and on such terms as it decides may allow **Commutated Members** to make a partial withdrawal from their **Member's Bonus Account**. **Commutated Members** who are members of staff of the **Society** shall not be entitled to make any partial withdrawal from their **Member's Bonus Account** in the first five years of **Membership** of the **Society**. In other respects **Commutated Members** will remain subject to the **Rules** of the **Society** where relevant.
- 3.13.6 Any **Member** of staff ceasing employment with the **Society** (or a subsidiary of the **Society**), other than through retirement will cease immediately upon cessation of employment to be a **Commutated Member**.

3.14 **Normal Retirement**

- 3.14.1 **Insured Members** shall retire as **Insured Members** on the **Maturity Date**. Unless stipulated in varied contract terms, the **Maturity Date** will be the **Member's** 60th birthday.
- 3.14.2 **Insured Members** may elect to retire as **Insured Members** at any time on or after their 50th birthday but not beforehand.
- 3.14.3 **Members** who retire under Rule 3.14.1 or 3.14.2 may elect:

- to cancel their **Membership** and receive the balance on their **Member's Bonus Account** subject to any adjustment in accordance with Rule 3.10; or
- to become **Commuted Members** if permitted under the terms set out in the **Rules**.

3.14.4 Retired **Members** are not entitled to claim **Sickness Benefits**.

3.15 **Ill Health Retirement**

3.15.1 **Insured Members** retiring from their **Insured Occupation** on grounds of ill health may at any time elect to cancel their **Membership** and receive the balance on their **Member's Bonus Account** subject to any adjustment in accordance with Rule 3.10. **Insured Members** cancelling their **Membership** under this Rule shall cease to be eligible for **Sickness Benefits** from the date of cancellation of their **Membership** of the **Society**.

3.15.2 **Insured Members** retiring from their **Insured Occupation** on grounds of ill health at or after the age of 50 years may elect:

- to cancel their **Membership** and receive the balance on their **Member's Bonus Account** subject to any adjustment in accordance with Rule 3.10, or
- to become **Commuted Members** in accordance with the terms set out in the **Rules**.

3.16 **Entitlement to Sickness Benefit outside the Membership Area**

3.16.1 **Insured Members** are not entitled to **Sickness Benefits** whilst outside the **Membership Area**.

3.16.2 **Insured Members** who have been receiving **Sickness Benefits** within the **Membership Area** and who travel outside the **Membership Area** while still in receipt of **Sickness Benefits** will cease to be eligible for **Sickness Benefits** for so long as they remain outside the **Membership Area**.

3.17 **Change of Permanent Residence**

3.17.1 **Insured Members**, taking up **Permanent Residence** outside the **Membership Area** may elect:

- to become a **Commuted Member** if permitted under the terms set out in the **Rules**; or
- to cancel the contract subject to deduction of an amount equal to the bonuses credited to the **Member** in the preceding two financial years or such greater amount as is determined by the **Actuary**. Individuals who have been **Insured Members** for less than two years will forfeit the full balance on the **Member's Bonus Account**, or
- to become a **Paid-up Member** in accordance with Rules 3.17.4 - 3.17.6.

3.17.2 **Insured Members** entitled to receive **Sickness Benefits** taking up **Permanent Residence** outside the **Membership Area** will not be eligible for **Sickness Benefits** whilst outside the **Membership Area**, without prior written consent of the **Society** and subject to such terms and conditions as the **Society** in its complete discretion considers appropriate.

3.17.3 **Membership** of **Commuted Members** will be unaffected by a permanent change of residence outside the **Membership Area**.

3.17.4 **Paid-up Members**:

- do not hold any **Shares** and are not required to pay any **Premiums**;
- are not entitled to claim **Sickness Benefits**; and
- may remain as **Paid-up Members** for as long as they wish; and

- are ineligible to become **Commuted Members**.
 - 3.17.5 **Paid-up Members** may cancel their **Membership** of the **Society** at any time and receive the balance on their **Member's Bonus Account** subject to any adjustment in accordance with Rule 3.10. Unless a **Paid-up Member** has been a **Paid-up Member** for a period of at least 5 years an amount shall be deducted from the **Member's Bonus Account** payable under this Rule 3.17.5 equal to the bonuses credited to the **Member** in the preceding two financial years or such greater amount as is determined by the **Actuary**.
 - 3.17.6 **Paid-up Members** resuming **Permanent Residence** within the **Membership Area** and applying to resume **Membership** as **Insured Members** will be treated as an applying to increase **Sickness Benefits** and will be subject to provisions governing the same eligibility, processing and acceptance of applications to increase **Sickness Benefits** with the **Society** by **Insured Members**.
 - 3.17.7 The **Society** reserves the right to decline an application to become a **Paid-up Member** or to resume **Sickness Benefits** or to apply special terms in accordance with Rule 3.6 to **Paid-up Members** wishing to resume as **Insured Members**.
 - 3.17.8 In accordance with Rule 3.10.4, the **Society** in its absolute discretion and on such terms as it decides may allow **Paid-up Members** over the age of 50 years and of at least 5 years standing, to make a partial withdrawal from their **Member's Bonus Account**. In other respects **Paid-up Members** will remain subject to the **Rules** of the **Society** where relevant.
- 3.18 **Career Breaks, Travel and Temporary Change of Residence**
- 3.18.1 **Insured Members** taking a career break or taking up temporary residence outside the **Membership Area** may elect to:
 - cancel their **Membership**, subject to deduction of an amount equal to the bonuses credited to the **Member** in the preceding two financial years or such greater amount as is determined by the **Actuary**. Individuals who have been **Insured Members** for less than two years will forfeit the full balance on the **Member's Bonus Account**; or
 - become a **Suspended Member** in accordance with Rules 3.18.2 - 3.18.5
 - 3.18.2 **Suspended Members**:
 - do not hold any **Shares** and are not required to pay any **Premiums**;
 - are not entitled to receive any **Sickness Benefits**;
 - may only remain as **Suspended Members** for up to a total of 24 months following which the **Suspended Member** must either apply to resume **Membership** as an **Insured Member** in accordance with Rule 3.18.4 or cancel the **Suspended Membership**. Otherwise Rule 3.18.5 shall apply.
 - 3.18.3 Each member may become a **Suspended Member** up to a maximum of three times, provided the total period of suspension during an individual's membership does not exceed 24 months in accordance with 3.18.2 above.
 - 3.18.4 **Suspended Members** applying to resume **Membership** as **Insured Members** will be required to submit a financial and health declaration. The **Society** reserves the right to decline such an application or to vary the terms of cover offered to individuals applying to resume as **Insured Members**.
 - 3.18.5 Where **Members** have been **Suspended Members** for a total of 24 months, the **Society** has the right to convert the **Membership** of a **Suspended Member** to a **Paid-up Member** or to cancel the individual's **Membership** and forward any monies owing to the last known address. The calculation of any monies due will be performed on the basis set out in Rule 3.18.1 above.

3.19 Other Cancellations and Bonus Withdrawals

- 3.19.1 Upon the death of a **Member**, the balance on the **Member's Bonus Account**, subject to any adjustment in accordance with Rule 3.10 and after payment of any sum to a nominee in accordance with Rule 3.20.1, will be payable to the estate of the deceased. The **Society** must be provided the original or certified copy of grant of probate or grant of administration before any payment can be made.
- 3.19.2 Upon cessation of employment, other than through retirement, of a member of staff of the **Society** (including any subsidiaries), who is also a **Member**, the individual shall receive the balance on their **Member's Bonus Account** subject to any adjustment in accordance with Rule 3.10.
- 3.19.3 If an **Insured Member** wishes to cancel their **Membership** of the **Society** other than as set out in Rules 3.14, 3.15, 3.17 and 3.18, the amount payable to the **Member** will be calculated subject to deduction of an amount equal to the bonuses credited to the **Member** in the preceding two financial years or such greater amount as advised by the **Actuary**. Individuals who have been **Insured Members** for less than two years will forfeit the full balance on the **Member's Bonus Account**.
- 3.19.4 The **Society**, in its complete discretion, may permit **Insured Members** to withdraw all or part of the available balance on the **Member's Bonus Account**. The available balance will be calculated in accordance with Rule 3.19.3. The **Society** has the right to stipulate additional conditions covering any such withdrawal, including minimum length of **Membership** and residual balance in the **Member's Bonus Account** after the withdrawal.

3.20 Nominations

- 3.20.1 A **Member** may nominate a person or persons to receive any amount from the **Member's Bonus Account** upon the **Member's** death, subject to the maximum limit set out in Section 6 of Administration of Estates (Small Payments) Act 1965, as updated from time to time.
- 3.20.2 All nominations must be made in writing by the **Member** and sent to the **Registered Office** of the **Society**.
- 3.20.3 Any person nominated must not, at the date of the nomination, be an employee or **Officer** of the **Society** unless that employee or **Officer** is a partner, parent, child, sibling or otherwise closely connected by birth or marriage to the nominator.
- 3.20.4 The **Member** may revoke or vary the nomination by notifying the **Society** in writing at any time. The marriage or divorce of any **Member** shall result in the automatic revocation of all previous nominations made by the **Member**.
- 3.20.5 All nominations must be witnessed by an individual who is not the beneficiary, partner, parent, child, sibling or otherwise closely connected by birth or marriage to the nominator.
- 3.20.6 The nomination, revocation and variation forms may be in any form chosen by the **Member** but must contain at least the information set out in the specimen forms in the **Tables**.

3.21 Assignment

A **Member** may not assign, mortgage or charge any **Benefits** but may write the balance on the **Member's Bonus Account** into trust otherwise than for the purpose of creating security for any obligation.

3.22 Bankruptcy and similar events

In the event of a **Member** entering into an arrangement or composition with his creditors or becoming bankrupt, the **Society** may cancel his **Membership** and any

Benefits accruing under the **Membership** of the **Society** will be forfeited and may be paid over to the **Member's** trustee in bankruptcy or other similar officer as the **Society** thinks fit.

IV RULES – SICKNESS BENEFITS

4.1 Definition of Incapacity

4.1.1 Unless the **Alternative Definition of Incapacity** applies, if the **Member** is in employment (either employed under a contract of service or self-employed under a contract for services) and following their **Insured Occupation** immediately prior to the commencement of the injury, illness or disease giving rise to the claim, **Incapacity** means that the **Society** is satisfied that the **Member** by reason of injury or illness:

- (a) is unable to perform the **Material and Substantial Duties** of their **Insured Occupation**;
- (b) is not following any occupation, except as provided in Rules 4.5 or 4.6; and
- (c) is suffering a **Material Reduction in Earnings**.

4.1.2 If the **Member** is not in employment (either employed under a contract of service or self-employed under a contract for services) or not following their **Insured Occupation** immediately prior to the commencement of the injury, illness or disease giving rise to the claim, **Incapacity** means the **Member** is unable to perform without the assistance of another person, but with the use of appropriate aids, appliances or medication, three or more of the following:

- (i) Feeding/Eating
Feeding oneself once food has been prepared and made available.
- (ii) Dressing
Putting on, taking off, securing and unfastening all necessary garments and, as appropriate, any braces, artificial limbs or other surgical appliances.
- (iii) Bathing/Grooming
Washing in the bath or shower (including getting in or out of the bath or shower).
- (iv) Toileting
Using the lavatory or commode or otherwise managing bowel and bladder function through the use of protective undergarments or surgical appliances if appropriate.
- (v) Mobility/Transfer
Moving from a bed to an upright chair or wheelchair and vice versa.
- (vi) Walking
Moving indoors from room to room on a level surface

The **Sickness Benefit** payable if Rule 4.1.2 applies shall not exceed £1,500 per month as adjusted by the **Indexation Options**, if applicable.

4.2 Eligibility for Benefit

4.2.1 **Sickness Benefits** will be paid to **Members** when they are **Incapacitated** at rates set out in the **Tables**, beginning on the first day after the end of the **Deferred Period**. **Sickness Benefits** will continue to be paid for the duration of the **Incapacity**.

4.2.2 The **Deferred Period** is a period of time for which the **Member** must be continuously absent from work due to **Incapacity** before any **Sickness Benefit** will become payable to the **Member**.

4.2.3 For the purposes of this Rule, continuous absence includes a number of periods of absence (or periods of Incapacity under Rule 4.1.2) of at least one

week's duration due to **Incapacity** arising from the same cause, provided the **Deferred Period** is completed within twice the length of the **Deferred Period** applicable to the **Member**. The **Society** will consider the **Deferred Period** served as long as the **Member** remains **Incapacitated** throughout the periods of absence making up the **Deferred Period**.

4.3 Notification of Incapacity

4.3.1 **Members** must notify the **Society** of their **Incapacity** within the following time limits:

- **Deferred Period** of more than 12 weeks - within a period of 8 weeks from when first **Incapacitated**;
- **Deferred Periods** of between 8 weeks and 12 weeks inclusive - within a period of 4 weeks from when first **Incapacitated**;
- **Deferred Periods** of less than 8 weeks - within a period of 2 weeks from when first **Incapacitated**.

4.3.2 A claim for **Sickness Benefit** should be received by the **Society** within 28 days of the end of any **Deferred Period** or, if no **Deferred Period** applies, within 28 days of the onset of **Incapacity**.

4.3.3 Where the **Member** has multiple **Deferred Periods** within their contract with the **Society**, the time limit for notification and submission of the claim for **Sickness Benefits** shall be calculated by reference to the shortest **Deferred Period**.

4.4 Limitation of Benefit Payable

4.4.1 If between the end of the **Deferred Period** and the cessation of the claim, the **Continuing Income** exceeds the **Maximum Insurable Income**, any **Sickness Benefits** payable by the **Society** will be reduced by the amount of the excess.

4.4.2 The calculation set out in Rule 4.4.1 will be carried out whenever there is a change in **Continuing Income** or at least annually using the revised amounts as appropriate.

4.4.3 Where the **Indexation Option** is applicable to the **Members' Sickness Benefits**, the **Pre-Incapacity Earnings** amount will be adjusted in accordance with the Consumer Price Index or a replacement of that index which is acceptable to the **Society**, on the same basis as the **Indexation Option**. Any **Sickness Benefits** payable will be reduced by the revised excess in accordance with Rule 4.4.1, if applicable.

4.4.4 No **Premiums** shall be refundable if, as a result of the operation of Rule 4.4, the amount of **Sickness Benefits** payable are less than the relevant sum insured with the **Society**.

4.4.5 Estimates of future income or any loss of potential income in any period from any cause will not qualify for inclusion in any calculation of **Pre-Incapacity Earnings**, **Maximum Insurable Income** or **Sickness Benefits** payable to the **Member**.

4.4.6 Where a **Member**, who is subject to any regulatory, disciplinary or legal proceedings or investigations, is **Incapacitated** but such **Incapacity** arises from **Subjective Illness** then **Sickness Benefits** will be for a maximum period of three years. Periods of **Incapacity** from **Subjective Illness** will be aggregated so that **Benefits** payments will cease after a total period of three years.

4.5 Proportionate Benefit

4.5.1 A **Member** is entitled to **Proportionate Benefit**, if the **Member**:

- has satisfied the definition of **Incapacity** as set out in Rule 4.1 for at least three months;
- has been in receipt of **Sickness Benefits** for at least three months;
- continues to satisfy the definition of **Incapacity** as set out in Rule 4.1, except that they are performing some other occupation, paid or unpaid;
- the **Member** has suffered a **Material Reduction in Earnings** as compared with **Pre-Incapacity Earnings** exclusively due to their **Incapacity**; and
- the **Member** continues to require regular supervision and treatment by a specialist **Medical Practitioner**.

4.5.2 The amounts payable will be determined by reducing the **Sickness Benefits** otherwise payable if no occupation was carried on by the Member (subject to any reduction under Rule 4.4) as follows:

$$\frac{((\text{Pre-Incapacity Earnings} - \text{Current Earnings}))}{\text{Pre-Incapacity Earnings}} \quad \times \quad \text{Sickness Benefits}$$

4.5.3 **Members** will not be eligible to make additional claims for **Sickness Benefits** from the **Society** whilst receiving **Proportionate Benefit**.

4.5.4 The **Society** will continue to pay **Proportionate Benefit** until the earliest of:

- the **Member's** income from part-time work is more than their **Pre-incapacity Earnings**
- the **Member** is able to carry out the material and substantial duties of his **Insured Occupation** for more than 28 hours a week
- the **Maturity Date** or when the Society has paid **Proportionate Benefit** for 104 weeks, if this is later
- the cancellation of **Membership** of the **Society**, or
- the **Member's** death

4.6 **Rehabilitation Benefit**

4.6.1 A **Member** is entitled to **Rehabilitation Benefit** if all the following conditions are met:

- the **Member** has been in receipt of **Sickness Benefits** or **Proportionate Benefits** for at least three months;
- the claim for **Rehabilitation Benefit** commences immediately following a period of **Incapacity**;
- the **Member** has returned to their **Insured Occupation**, but is unable to discharge their **Material or Substantial Duties**;
- the **Member** continues to suffer a **Material Reduction in Earnings**; and
- the **Member** continues to require regular supervision and treatment by a specialist **Medical Practitioner**.

4.6.2 The amounts payable will be determined by reducing the **Sickness Benefits** otherwise payable if the Member had not returned to their **Insured Occupation** (subject to any reduction under Rule 4.4) as follows:

$$\frac{((\text{Pre-Incapacity Earnings} - \text{Current Earnings}))}{\text{Pre-Incapacity Earnings}} \quad \times \quad \text{Sickness Benefits}$$

4.6.3 **Members** will not be eligible to make additional claims for **Sickness Benefits** whilst receiving **Rehabilitation Benefit**.

4.6.4 The **Society** will continue to pay **Rehabilitation Benefit** until the earliest of:

- the **Member's** income from part-time work is more than their **Pre-incapacity Earnings**
- the **Member** is able to carry out the material and substantial duties of his **Insured Occupation** for more than 28 hours a week

- the **Maturity Date** or when the Society has paid **Rehabilitation Benefit** for 104 weeks, if this is later
- the cancellation of **Membership** of the **Society**, or
- the **Member's** death

4.7 **Members' Responsibilities in Connection with Claims for Sickness Benefit**

- 4.7.1 Claims shall be submitted in such form as the Society may require from time to time and must be submitted within the time limits referred to in Rule 4.3.
- 4.7.2 The **Member** must provide the **Society** with all information requested by the **Society** to investigate the claim properly and subsequently to review the claim from time to time. Such information may include:
- proof of **Membership**;
 - evidence of **Pre-Incapacity Earnings**;
 - evidence of **Material Reduction in Earnings**;
 - medical evidence to substantiate **Incapacity** and continuing **Incapacity**, including:
 - evidence of the presence of an impairment of sufficient severity and duration to satisfy the definition of incapacity;
 - continuing attendance by the **Member** of a **Medical Practitioner** whose training and speciality are appropriate to such an impairment and as frequently as such a practitioner would reasonably recommend;
 - evidence which demonstrates to the satisfaction of reasonable medical opinion that all appropriate treatment options have been thoroughly investigated;
 - evidence that the **Member** has followed the advice of the **Medical Practitioner**;
 - medical reports by one or more **Medical Practitioners** or consultants selected by the **Society**. The **Member** may be required to undergo an examination by such **Medical Practitioners** or consultants at such times and places as the **Society** may require. The **Member** will provide appropriate samples for any tests (including blood and saliva tests) ;or
 - any other reasonable information, evidence, test, evaluation or report that may be requested at any time by the **Society** or by the **Medical Practitioners** or consultants.
- 4.7.3 The costs of all medical certificates shall be borne by the **Member**. The **Society** will pay for any other reports, evidence, examination or tests (including any reasonable travel costs incurred by the **Member**) specifically commissioned by the **Society**,
- 4.7.4 The **Member** must notify the **Society** immediately of any change in their condition or circumstances that would or might affect payment of any **Benefit**, including:
- the **Member** undertaking any work or employment, whether paid or unpaid;
 - any changes in the **Member's** financial circumstances;
 - any changes in the **Member's** health, medical condition or prognosis;
 - any change in the actual or planned dates of return to work; or
 - any change to the **Member's** address.
- 4.7.5 **Members** must attend any examination when notified to do so, and to provide any information requested within 28 days of the request by the **Society**. If the **Member**:
- fails to attend an examination;
 - cancels an examination without prior consent from the **Society**;
 - fails to provide the requested information within the time provided; or
 - fails to notify the **Society** of any change in their condition or circumstances which would affect payment of **Benefit**,

the claim may be declined by the **Society**, and, where any **Benefit** has been paid, any further payments of **Benefit** may be discontinued.

4.7.6 If the **Society** is satisfied that for any reason the **Benefit** paid to a **Member** should not have been paid, the **Society** reserves the right to require repayment of the overpaid **Benefit** by such means as the **Society** considers appropriate, including deduction from **Member's Bonus Account**. If the payment is not received within 21 days of the request, the **Society** has the right to charge interest on any overpayment to a **Member** at a rate equal to the base rate of Barclays Bank plc from time to time plus three percent.

4.7.7 The **Society** reserves the right to decline or terminate a claim for **Sickness Benefits** if the **Member** fails to comply with all applicable provisions of the Rules.

4.8 Exclusions

4.8.1 No **Sickness Benefits** will be payable in respect of any **Incapacity** directly or indirectly attributable to any of the following:

- war, hostilities (declared or not), terrorism, invasion, rebellion, revolution, civil war or participation in a riot, civil commotion or uprising. This exclusion does not apply to members of the armed forces who suffer **Incapacity** whilst on duty;
- participation in a criminal act;
- alcoholism, abuse of controlled substances or effects of drugs not taken under the advice or supervision of a **Medical Practitioner**;
- failure to maintain up to date immunisations against such diseases (including but not limited to Hepatitis B and Polio), as recommended for healthcare staff involved in direct patient care, by the governments, health authorities or professional bodies of the **Membership Area**.
- medical operations or treatments which are not medically necessary, including fertility treatment and cosmetic or beauty treatment unless this is the result of an accident where the **Member's** doctor recommends that they have cosmetic treatment; or
- attempted suicide or self inflicted injuries.

4.8.2 In assessing a **Member's** entitlement to **Sickness Benefits** the **Society** may disregard any arrangements made by the **Member** or any person connected with the **Member** for the sole or principal purpose of maximising the amount of **Sickness Benefits** payable to the **Member**.

4.9 Pregnancy

4.9.1 No **Sickness Benefits** are payable in respect of normal pregnancy conditions including morning sickness, fatigue or backache or actual childbirth.

4.9.2 Complications of pregnancy and childbirth are not excluded but no **Sickness Benefits** will be payable during **Maternity Leave**. Complications of pregnancy must be diagnosed by an appropriate specialist **Medical Practitioner**.

4.10 Linked Claims

If within 13 weeks of completion of a claim for **Sickness Benefits, Proportionate Benefit** or **Rehabilitation Benefit**, a **Member** suffers further periods of **Incapacity** and all the following conditions are met:

- **Benefit** was paid to the **Member** for the first period of **Incapacity**; and
- the **Society** is satisfied that both periods of **Incapacity** are due to the same or a related cause,

then **Sickness Benefits, Proportionate Benefit** or **Rehabilitation Benefit** will be resumed from the date of commencement of the further **Incapacity** on the same terms

as previously paid and no **Deferred Period** will be applicable to such further periods of **Incapacity**.

4.11 Subrogation Rights

4.11.1 The **Society** retains its rights of subrogation over any claim that a **Member** makes against third parties for loss suffered by the **Member** that has been compensated by the payment of **Benefits** by the **Society**.

4.11.2 A **Member** must notify the **Society** before the commencement of any action by a **Member** against a third party in relation to any loss to which Rule 4.11.1 might apply. Failure to do so may result in the withdrawal of **Benefits**.

4.12 Lump Sum Settlements

4.12.1 The **Society** may offer a **Member** claiming **Sickness Benefits** a lump sum payment in full and final settlement of the claim. A **Member** accepting a lump sum settlement will not be eligible to continue as an **Insured Member**.

4.12.2 **Insured Members** accepting a lump sum under Rule 4.12.1 shall elect:

- to cancel their **Membership** and receive the balance on their **Member's Bonus Account** subject to any adjustment in accordance with Rule 3.10, or
- to become **Commutated Members**, if accepting the lump sum on or after the age of 50 years, in accordance with the terms set out in the **Rules**.

4.12.3 The **Member** must provide the **Society** with all information requested by the **Society** to investigate the request properly.

4.13 Reducing Sickness Benefits

4.13.1 Unless a **Deferred Period** applies to **Sickness Benefits** or the **Level Benefit Option**, or **Indexation Option** applies, the **Sickness Benefits** subscribed by **Insured Members** will be paid for the duration of **Incapacity**, as follows:

First 26 weeks of Sickness Benefit payments following expiry of the Deferred Period	100% of the Sickness Benefits subscribed
Following 26 weeks:	50% of the Sickness Benefits subscribed
Thereafter to cessation of claim:	30% of the Sickness Benefits subscribed

The **Sickness Benefits** payments will continue to be subject to the limitations on **Sickness Benefits** payable set out in Rule 4.4.

4.14 Automatic Cessation of Sickness Benefits

Sickness Benefits will automatically cease upon the earliest of:

- cancellation of **Membership**;
- the **Member** no longer being **Incapacitated**;
- the **Insured Member** reaching retirement age in accordance with Rule 3.14;
- (subject to Rule 3.12) the **Member** being **In Arrears**;
- the individual ceasing to be an **Insured Member** for any other reason; and
- the **Member's** death.

V RULES – OPTIONAL BENEFITS OF MEMBERSHIP

5.1 General Conditions

- 5.1.1 The terms and conditions set out in this section are only applicable where the relevant optional benefit has been included in the **Schedule of Benefits**.

5.2 Indexation Option

- 5.2.1 **Members** may apply for indexation option at any time before their 50th birthday. The **Society** reserves the right to refuse any, all or part of an application for the **Indexation Option** by a **Member**.
- 5.2.2 If the **Indexation Option** applies, the **Sickness Benefits** payable to an **Insured Member** will be reviewed annually, commencing on 1 January, following the first 12 months of benefit payment, in line with the Consumer Price Index (as published in the preceding September) or a replacement of that index which is acceptable to the **Society**, subject to the following:
- Any increase in payment under the option will be not exceed 5%
 - The overall increase in **Sickness Benefits** under Rule 5.2 will be limited to one and a half times the initial **Sickness Benefits** subscribed by the **Member**
 - In the event of a fall in the index, the **Society** has the right to reduce the **Sickness Benefits** accordingly
 - A revised regular **Premium** may be payable for any grant or exercise of the option in accordance with the **Rules**.
- 5.2.3 No further increases in **Sickness Benefits** will be provided under this section upon cessation of a claim. Unless the **Escalation Option** has also been chosen by the **Member**, the cover will revert to the initial Sickness Benefit subscribed by the **Member**. Any future claims shall be assessed in accordance with the medical and financial criteria / limits set out in the Rules.
- 5.2.4 In the event of a linked claim under Rule 4.10, the period between the claims will not qualify for the calculation of **Indexed Sickness Benefits** under Rule 5.2.
- 5.2.5 In all other respects **Members** exercising the indexation option will remain subject to the Rules of the **Society**. Applications for the **Indexation Option** must be made as part of an application for **Membership** or for an increase in **Sickness Benefits**. The **Indexation Option** cannot be applied to any previous **Sickness Benefits** held by the **Member**.
- 5.2.6 **The Society** has the right to cease the **Indexation Option** at any time. Indexed **Sickness Benefits** being paid to **Members** at the time of cessation shall continue to be paid but no new claims for indexed **Sickness Benefits** will be admitted after the **Society** has ceased the provision of such benefits even when premiums have been paid.

5.3 Escalation Option

- 5.3.1 **Members** may apply for the **Escalation Option** at any time before their 50th birthday. **The Society** reserves the right to refuse any, all or part of an application for the **Escalation Option** by a **Member**.
- 5.3.2 If the **Escalation Option** applies, the **Sickness Benefits** subscribed by **Insured Members** will be reviewed annually, following the first anniversary of grant of the **Option**, on 1 January in line with the Consumer Price Index (as published in the preceding September) or a replacement of that index which is acceptable to the **Society**, subject to the following:
- Any annual increase in benefits under the option will be not exceed 5%

- The overall increase in **Sickness Benefits** under Rule 5.3 will be limited to one and a half times the initial **Sickness Benefits** subscribed by the **Member**
 - The escalated **Sickness Benefits** will continue to be subject to the limitations on **Sickness Benefits** payable set out in Rule 4.4.
 - A revised regular premium may be payable for any grant of the option or increase in **Sickness Benefits** calculated in accordance with this Rule.
- 5.3.3 No increases in **Sickness Benefits** subscribed by the **Insured Member** will qualify for payment until:
 - The **Member** has recovered completely,
 - The payments on account of the claim have ceased, and
 - The **Member** has returned to work and completed six months of full time work in their **Insured Occupation**, working at least 28 hours per week.
- 5.3.4 **Members** have the right to refuse a further escalation increases in **Sickness Benefits**. Where **Members** exercise this right, the following provisions apply:
 - **Members** must notify the **Society** in writing by 30 September preceding 1 January on which the increase is due.
 - No further escalation increases will be made until the **Member** requests the **Society** to resume escalation of **Sickness Benefits** in writing by 30 September preceding 1 January on which the next increase is due.
- 5.3.5 In all other respects **Members** exercising the **Escalation Option** will remain subject to the Rules of the **Society**. Applications for the **Escalation Option** must be made as part of an application for membership or increase in **Sickness Benefits**. The **Escalation Option** cannot be applied to any previous **Sickness Benefits** held by the **Member**.
- 5.3.6 **The Society** has the right to cease the **Escalation Option** at any time. No further escalation in **Sickness Benefits** subscribed will be provided after the **Society** has ceased the provision of such benefits even when premiums have been paid.
- 5.4 **Level Premiums Option**
 - 5.4.1 The level premiums offered by the **Society** are not guaranteed and are determined in accordance with Rule 3.7.
 - 5.4.2 A revised regular premium may be payable for any grant or exercise of the **Level Premiums Option** in accordance with this Rule.
 - 5.4.3 In all other respects **Members** exercising the **Level Premiums Option** will remain subject to the Rules of **The Society**.
 - 5.4.4 The **Level Premiums Option** shall be available only with such **Packaged Contracts** as determined by the **Board** from time to time.
 - 5.4.5 The **Level Premiums Option** shall expire at the **Maturity Date** calculated in accordance with Rule 3.14.
 - 5.4.6 **The Society** reserves the right to refuse any, all or part of an application for the **Level Premiums Option** by the **Member**.
- 5.5 **Retirement Age Option**
 - 5.5.1 **The Society** may in its absolute discretion invite certain **Insured Members** to extend the retirement age under all or part of their cover beyond the date set out in Rule 3.14, subject to a maximum extended retirement age of 70 years.
 - 5.5.2 The extension will be for such a period as the **Society** in its absolute discretion considers appropriate. A revised regular premium may be payable if a **Member** accepts an offer under the **Retirement Age Option** in accordance with this Rule.

- 5.5.3 Any extension granted by the **Society** shall apply to:
- any other **Options** held by the Member, except the **Level Premiums Option** and the **Increasable Sickness Benefit Option**, which will expire in accordance with Rules 5.4 and 5.6 respectively, and
 - the **Sickness Benefits** underlying the **Options** held by the **Member**.
- 5.5.4 The level of **Sickness Benefits** subscribed may be no greater than the amount subscribed immediately prior to the date set out in Rule 3.14.
- 5.5.5 Where a **Member** accepts an offer to extend the retirement age, he shall be bound by all the Rules applicable to an application for increase in **Sickness Benefits** by an **Insured Member**.
- 5.5.6 The applicable definition of **Incapacity** for any claim for **Sickness Benefits** by **Members** aged 65 years or below will be that set out in Rule 4.1. Where the **Member** is aged over 65 years, the definition of **Incapacity** in Rule 4.1.1 will not apply and any claim for **Sickness Benefits** will be assessed on the definition of **Incapacity** set out in Rule 4.1.2, irrespective of the **Member's** employment status.
- 5.5.7 Upon reaching the extended retirement date, the **Member** shall be subject to the normal retirement provisions set out in Rule 3.14, mutatis mutandis.
- 5.5.8 In all other respects, **Members** extending the retirement age will remain subject to the Rules of the **Society**.

5.6 **Increasable Sickness Benefits Option**

- 5.6.1 The **Increasable Sickness Benefits Option** is exercisable on the 6th, 12th and 15th anniversaries of the date the Option was taken.
- 5.6.2 The **Increasable Sickness Benefits Option** may be exercised by the **Insured Member** by completing the appropriate application, which must be received by the **Society** at least 21 days before the date on which the **Option** is exercisable.
- 5.6.3 The exercise of the **Increasable Sickness Benefits Option** is subject to the following additional conditions:
- The total increases under the **Increasable Sickness Benefits Option** shall not exceed 30% of the initial **Benefit** underlying the **Option**.
 - The sum of all increases under all **Increasable Sickness Benefits Options** held by the **Member** shall not exceed the total limit of £360 **Sickness Benefits** per week.
 - The **Deferred Period** may not be shorter than that applicable to the initial **Benefit** underlying the option.
 - The increase in **Sickness Benefits** will be issued without the **Member** providing additional medical evidence but will otherwise be subject to the **Society's Rules**
 - **Members** must provide such financial and other evidence as the Society considers appropriate to substantiate the entitlement to higher cover.
 - Any special terms or optional **Benefits** applying to the initial **Benefit** underlying the **Option**, will also apply to any increase.
 - A revised regular premium may be payable for the grant of the **Option** and for any increase in **Sickness Benefits** calculated in accordance with this Rule.
 - The **Option** shall expire on the **Maturity Date** calculated in accordance with Rule 3.14.

If the **Option** is exercised:

- during a period of **Incapacity** exceeding four weeks duration, or
- Whilst **Rehabilitation Benefit** or **Proportionate Benefit** is being paid under Rules 4.5 or 4.6,

then no **Benefit** shall be payable under the **Increasable Sickness Benefits Option** until the **Member** has recovered fully and completed six months of full time work in their **Insured Occupation**, working at least 28 hours per week.

5.6.4 The **Society** reserves the right to refuse any, all or part of an application for **Increasable Sickness Benefits Option** by the **Member**. Applications for **Increasable Sickness Benefits Option** must be made as part of an application for membership or increase in **Sickness Benefits**. The option cannot be applied to any previous **Sickness Benefits** held by the **Member**.

5.6.5 The **Society** has the right to cease the **Increasable Sickness Benefits Option** at any time. No further **Increasable Sickness Benefits Options** will be exercisable after the **Society** has ceased the provision of such benefits even when premiums have been paid.

5.7 **Alternative Currencies Option**

5.7.1 **Members** may apply for the **Alternative Currencies Option** and elect to pay their premiums and receive **Benefits** in the following currencies:

- Euros
- Any other currencies as determined by the **Board** from time to time

5.7.2 All amounts due from and payable to a **Member** who has elected for the **Alternative Currencies Option** will be initially calculated in the currency used in the United Kingdom and converted at such rates as the **Society** acting reasonably may select from time to time.

5.7.3 The following additional conditions apply to the **Alternative Currencies Option**:

- The **Option** applies to both **Premiums** and **Benefits**.
- The **Member** may cancel the **Alternative Currencies Option** with effect from 1 January in any year by giving the **Society** at least 30 days advance notice

5.7.4 The **Society** has the right to cease the **Alternative Currencies Option** at any time. All transactions will then immediately revert to the base currency used by the **Society** immediately after the **Society** has ceased the provision of the option.

5.8 **Level Benefit Option**

5.8.1 **Members** may apply for the **Level Benefit Option** at any time before their 50th birthday. **The Society** reserves the right to refuse any, all or part of an application for the **Level Benefit Option** by a **Member**.

5.8.2 The **Level Benefit Option** shall apply automatically for all **Sickness Benefit** for which there is a **Deferred Period** of one week or more.

5.8.3 The **Sickness Benefits** subscribed by **Insured Members** will be paid at a constant rate, subject to the following:

- The **Sickness Benefits** payments will continue to be subject to the limitations on **Sickness Benefits** payable set out in Rule 4.4.
- A revised regular premium may be payable on grant of the option in accordance with this Rule.

5.8.4 In all other respects **Members** exercising the **Level Benefit Option** will remain subject to the **Rules**.

5.8.5 **The Society** retains the right to cease the **Level Benefit Option** at any time. **Level benefits** being paid to **Members** at the time of closure shall continue to

be paid but no new claims for level benefit will be admitted after the **Society** has closed the option even when **Premiums** have been paid.

5.9 **Severe Disability Benefit Option**

- 5.9.1 **Members** may apply for the **Severe Disability Benefit Option** at any time before their 50th birthday. The **Society** reserves the right to refuse any, all or part of an application for Severe Disability Benefit Option by a **Member**.
- 5.9.2 Subject to the other provisions of Rule 5.9 payments will be made under the **Severe Disability Benefit Option** when, as a result of an accident or illness, an **Insured Member** before the **Maturity Date**, is totally and permanently unable throughout the remainder of his life to perform without the assistance of another person, but with the use of appropriate aids, appliances or medication, three or more of the following:
- (i) **Feeding/Eating**
Feeding oneself once food has been prepared and made available.
 - (ii) **Dressing**
Putting on, taking off, securing and unfastening all necessary garments and, as appropriate, any braces, artificial limbs or other surgical appliances.
 - (iii) **Bathing/Grooming**
Washing in the bath or shower (including getting in or out of the bath or shower).
 - (iv) **Toileting**
Using the lavatory or commode or otherwise managing bowel and bladder function through the use of protective undergarments or surgical appliances if appropriate.
 - (v) **Mobility/Transfer**
Moving from a bed to an upright chair or wheelchair and vice versa.
 - (vi) **Walking**
Moving indoors from room to room on a level surface
- 5.9.3 The **Severe Disability Benefit Option** shall become payable after 24 consecutive months of payment of **Sickness Benefit**.
- 5.9.4 Weekly payments under the **Severe Disability Benefit Option** will be payable for the duration of **Incapacity** at a rate equal to 20% of the weekly **Sickness Benefit** due to the **Member** at the commencement of **Incapacity**.
- 5.9.5 Payments under the **Severe Disability Benefit Option** shall cease upon cessation of the claim for **Sickness Benefit**.
- 5.9.6 A revised regular **Premium** may be payable for the exercise of the **Severe Disability Benefit Option** in accordance with this Rule.
- 5.9.7 The payment of any claim under the **Severe Disability Benefit Option** will be subject to the production of information and evidence in accordance with the **Rules**.
- 5.9.8 With the exception of the limitation of **Sickness Benefit** set out in Rule 4.4, any claim under the **Severe Disability Benefit Option** will be subject to all the rules governing **Sickness Benefits**.
- 5.9.9 Except as set out in Rule 5.9 **Members** holding or exercising the **Severe Disability Benefit Option** will remain subject to the Rules of the **Society**. Applications for the **Severe Disability Benefit Option** must be made as part of an application for **Membership** or increase in **Sickness Benefits**. The

Severe Disability Benefit Option cannot be applied to any previous **Sickness Benefits** held by the **Member**.

5.9.10 **The Society** has the right to cease the **Severe Disability Benefit Option** at any time. Payments under the **Severe Disability Benefit Option** being paid to **Members** at the time of closure shall continue to be paid but no new claims for severe disability benefit will be admitted after the **Society** has closed the **Severe Disability Benefit Option** even when **Premiums** have been paid.

5.10 **Enhanced Death Benefit Option**

5.10.1 **Members** may apply for the **Enhanced Death Benefit Option** at any time before their 50th birthday. The **Society** reserves the right to refuse any, all or part of an application for the **Enhanced Death Benefit Option** by a **Member**.

5.10.2 A revised regular premium may be payable for the grant of the **Enhanced Death Benefit Option** in accordance with this Rule.

5.10.3 If an **Insured Member** who has selected the **Enhanced Death Benefit Option**:

- dies during the first 12 months of commencement of a continuous claim for **Sickness Benefit** from the end of any **Deferred Period** as a result of the same illness or injury giving rise to the claim, and
- has been entitled to receive **Sickness Benefits** for at least 8 weeks from the end of any applicable **Deferred Period**,

then a lump sum equal to 26 times the initial weekly **Sickness Benefit** payable will become payable to the **Member's** estate at the date of death.

5.10.4 The **Society** retains the right to cease the **Enhanced Death Benefit Option** at any time. Benefits under the **Enhanced Death Benefit Option** will be paid to the estates of any eligible **Members** claiming **Sickness Benefits** at the time of closure but no new claims under the **Enhanced Death Benefit Option** will be admitted from any **Member** whose claim for **Sickness Benefit** commenced after the **Society** has closed the **Enhanced Death Benefit Option** even when **Premiums** have been paid.

VI RULES – ADMINISTRATION OF THE AFFAIRS OF THE SOCIETY

6.1 Duty to Provide Memorandum, Rules, Tables and Rate Tables

- 6.1.1 All **Members** of the **Society** shall be provided with a copy of the **Memorandum, Rules** and **Tables** upon admission to membership of the **Society**.
- 6.1.2 The **Secretary** shall on demand give a copy of the **Memorandum, Rules** and **Tables**:
- free of charge to any **Member** to whom a copy has not previously been given; and
 - to any other person upon the payment of £1.00.
- 6.1.3 Following any alteration of the **Memorandum, Rules** or **Tables**, the **Members** will be sent the amended pages at the address on the **Society's** register of names and addresses.
- 6.1.4 Copies of the **Rate Tables** shall be available free of charge to **Members** at the **Registered Office** of the **Society** and the **Society** shall on request send a copy of the **Rate Tables** to any **Member** free of charge.

6.2 Alteration of the Tables and Rate Tables

- 6.2.1 Subject to written authorisation by the **Actuary**, the **Board** may by written resolution:
- add additional explanatory notes and conditions; or
 - vary, add to or delete any existing notes and conditions,
- in the **Tables** and **Rate Tables**.
- 6.2.2 The adoption of the written resolution in 6.2.1 will require at least 60% of the **Directors** present at the meeting to vote in favour of the resolution.
- 6.2.3 All terms and conditions set out in the **Tables** and **Rate Tables** will be governed by the **Society's Memorandum** and **Rules**. In the event of a conflict between the **Tables, Rate Tables** and the **Rules**, the **Rules** shall prevail.
- 6.2.4 The effective date of the alteration of the **Tables** and / or **Rate Tables** made under Rule 6.2.1 shall be specified on the amended **Tables** and / or **Rate Tables**.
- 6.2.5 No alteration of the **Tables** will be effective unless amended copies of the **Tables** are sent to the **Members** before the effective date specified under Rule 6.2.4.

6.3 Amendment of the Memorandum and Rules

- 6.3.1 Subject to the requirements of the Act for a higher majority in relation to specific alterations, a simple majority of **Members** at a general meeting may alter the **Memorandum** or **Rules** by adding, rescinding or varying any provision.
- 6.3.2 No change to the **Memorandum** and **Rules** will be effective unless:
- proper notice of the general meeting has been given to the **Members** specifying the intention to propose an alteration to the **Memorandum** or **Rules**; and
 - the appropriate approval and notification procedures set out in the **Act** have been complied with.

- 6.3.3 The effective date of the alteration of the **Memorandum** or **Rules** will be the date of registration of the revised **Memorandum** or **Rules** with the **Regulator** or such later date as specified in the resolution passed by a majority of **Members** in accordance with Rule 6.3.1.
- 6.3.4 The **Society** and all the **Members** (including any claiming **Sickness Benefits**) will be governed by the altered **Memorandum** or **Rules** from the effective date determined in accordance with Rule 6.3.3.

6.4 **Validity of Previous Memorandum and Rules**

- 6.4.1 All or part of the previous **Memorandum** or **Rules** of the **Society** altered by the **Members** in accordance with Rule 6.3, shall cease to have effect from the effective date determined in accordance with Rule 6.3.3 and the amended **Memorandum** or **Rules** of the **Society** shall take effect from the same date.

6.5 **Waiver of Terms and Conditions**

- 6.5.1 The **Society** may in particular cases relax or waive specific conditions contained in the **Rules**, the **Tables** or the **Rate Tables** without prejudice to any similar case and without representing a change or variation to the **Rules**, the **Tables** or the **Rate Tables** in general application.
- 6.5.2 Failure by the **Society** to enforce at any time its rights under the **Memorandum**, the **Rules**, the **Tables** or the **Rate Tables**, shall not be construed nor deemed to be a waiver of its rights under the **Memorandum**, the **Rules**, the **Tables** or the **Rate Tables** nor in any way affect the whole or part of the **Memorandum**, the **Rules**, the **Tables** or the **Rate Tables** nor prejudice the rights of the **Society** to take subsequent action.

6.6 **Annual General Meeting**

- 6.6.1 The **Society** shall hold an Annual General Meeting in each year at such time and location as determined by the **Board**.
- 6.6.2 The period between one Annual General Meeting and the next shall not exceed 15 months.
- 6.6.3 The **Board** shall lay before the **Members**, the **Annual Report and Financial Statements** and the **Remuneration Report** of the **Society** for the last financial year at each Annual General Meeting. The **Board** shall also submit to the **Members** such additional reports and information as required by **Relevant Legislation**.
- 6.6.4 The **Board** shall also lay before the **Members** the report of the auditors on the **Annual Report and Financial Statements** and on such other matters as requiring presentation to the **Members** by **Relevant Legislation**.
- 6.6.5 Only the business relating to any of the following shall be transacted at any Annual General Meeting of the **Society**:
- the **Annual Report and Financial Statements** laid before the meeting;
 - reports submitted by the **Board** under Rule 6.6.3;
 - reports of the auditors under Rule 6.6.4;
 - the election or re-election of **Directors**;
 - the appointment or reappointment of auditors;
 - a motion for a resolution contained in a **Members' Notice** received by the **Society** in accordance with the **Rules**;
 - any business brought before the meeting by the **Board**.

6.7 **Special General Meeting**

- 6.7.1 Any general meeting which is not an Annual General Meeting is a Special General Meeting.

- 6.7.2 The **Board** may convene a Special General Meeting whenever it considers it appropriate.
- 6.7.3 The **Board** shall convene a Special General Meeting on the requisition of not less than fifty **Members** who:
- have been **Members** for a continuous period of at least two years; and
 - are entitled to vote at a general meeting of the **Society** on the date of the requisition.

The requisition must state the purpose of the meeting and should be signed by each requisitioner and deposited at the **Registered Office** of the **Society**. A deposit of £20 in respect of each signatory to the requisition must be lodged with the requisition. If a quorum is not present after half an hour from the time appointed for the meeting, all deposits will be forfeited. If a quorum is present the **Members** present and entitled to vote at the meeting will decide whether the deposits may be used either fully or in part towards meeting the expenses of convening and holding the meeting and the extent to which deposits are not so used should be returned by the **Society** to the requisitioners in equal proportions.

- 6.7.4 If the **Board** does not, within 28 days after the date of the deposit of the only or last requisition sufficient to comply with the requirements of Rule 6.7.3, proceed to despatch notices convening a meeting to be held within 63 days after that date, at least half the requisitioners may themselves convene a Special General Meeting. Any meeting so convened must be held within five months from the date of the deposit of the sole or last requisition. The meeting so convened by the requisitioners must be convened in the similar manner, as those convened by the **Board** and notices must be sent by post to those persons entitled under the Rules. Any reasonable expenses incurred by the requisitioners by reason of the failure of the **Board** duly to convene a meeting will be paid to those requisitioners by the **Society**. Any sum so paid will be recovered by the **Society** from the defaulting **Directors** (whether by way of retention of fees or other remuneration in respect of services, or otherwise). The **Board** or, as the case may be, the requisitioners, must give the **Members** notice of any resolution the requisitioners propose to move at the meeting at the same time and in the same manner as notice of a Special General Meeting.
- 6.7.5 Only the business stated in the notice convening the meeting shall be transacted at any Special General Meeting.
- 6.7.6 Unless the requisitioners have convened a Special General Meeting under Rule 6.7.4, Special General Meetings will be held at a time and location determined by the **Board**.

6.8 **Notice of Meetings**

- 6.8.1 All **Members** eligible to vote must be given at least 30 days' notice of the Annual General Meeting or Special General Meeting, expiring on the final date for receipt of proxies in accordance with Rule 6.12.2.
- 6.8.2 The notice must be in writing and shall specify the date, time and location of the meeting.
- 6.8.3 The notice or other documents accompanying the notice must provide the following information:
- whether the meeting is an Annual General Meeting or Special General Meeting;
 - the nature of any proposed resolutions and of the other business to be transacted at the meeting;
 - the full name of each candidate for the office of **Director**, or auditor, unless the nomination was made, or in the case of an auditor, received, too late for the candidature to be included in, or to accompany, the notice;

- that a **Member** who is entitled to attend and vote may appoint one proxy to attend and, on a poll, vote at the meeting instead of the **Member**;
- that the proxy need not be a **Member** of the **Society**; and
- that the **Member** may direct the proxy how to vote at the meeting.

6.8.4 If the **Society** receives a written notice (whether in one or more documents), from at least fifty **Members**, of their intention to have moved an ordinary or special resolution on their behalf at an Annual General Meeting which is detailed in the notice to the **Society**, the **Board** will include in the notice of the Annual General Meeting:

- a statement that such a notice has been received;
- a statement whether the proposed resolution is an ordinary or a special resolution; and
- at the request of the **Members** intending to move the proposed resolution, a statement of no more than 100 words with respect to the item referred to in the resolution.

6.8.5 The **Board** is under no duty to include the statement or notice set out in Rule 6.8.4 in the notice of the Annual General Meeting if:

- the statement or notice to the **Society** or the last document to ensure full compliance with Rule 6.8.4 above is received by the **Society** after the last day of the financial year preceding that in which the Annual General Meeting is to be held;
- in the **Board's** opinion, the statement or the resolution proposed by the **Members** does not relate to the affairs of the **Society**;
- in the **Board's** opinion, publicising the statement or resolution is likely to diminish the confidence in the **Society** among **Members** and/or potential members;
- in the **Board's** opinion, the rights to move a resolution is being abused to seek needless publicity for defamatory matter or for frivolous or vexatious purposes
- in the **Board's** opinion, the proposed resolution is substantially the same as any resolution that has been defeated at a general meeting within three years of the date of the notice or of the last document to ensure full compliance with Rule 6.8.4.

6.8.6 If it is not practicable to include the **Members' Notice** in the notice of the Annual General Meeting, the statement from the **Members** and the **Members' Notice** will be sent to the all **Members** as soon as possible.

6.8.7 The accidental omission to send a notice of a meeting to, or the non-receipt of a notice of a meeting by, any person entitled to receive notice will not invalidate the proceedings at that meeting.

6.9 **Quorum at Meetings**

6.9.1 No business may be transacted at any Annual General Meeting or Special General Meeting unless a quorum is present.

6.9.2 A quorum comprises fifteen **Members** who are entitled to vote at the meeting and who are present at the meeting either in person or by proxy.

6.9.3 If a quorum is not present after half an hour from the time appointed for the Annual General Meeting or Special General Meeting, the chairman of the meeting shall adjourn the meeting to such later time and location as he (or she) considers appropriate.

6.9.4 If during a meeting a quorum ceases to be present, the chairman of the meeting shall adjourn the meeting to a later time and to such location as he (or she) considers appropriate.

6.9.5 Rules 6.9.3 and 6.9.4 do not apply to a Special General Meeting convened under Rule 6.7.3, where if a quorum is not present after half an hour from the

time appointed for the Special General Meeting or at any time during the meeting, the chairman of the meeting shall dissolve the meeting.

6.10 Procedures at Meetings

6.10.1 The chairman of the **Board** shall preside over every meeting of the **Society**.

6.10.2 In the chairman's absence, the vice-chairman of the **Board** shall preside over any meeting of the **Society**.

6.10.3 If the chairman and vice-chairman are:

- not present within fifteen minutes of the time appointed for the start of the meeting; or
- unwilling to preside over the meeting,

then, the **Board** shall elect a **Director** to preside over the meeting.

6.10.4 If the **Directors** are:

- not present within fifteen minutes of the time appointed for the start of the meeting; or
- unwilling to preside over the meeting,

then, subject to a quorum being present, the **Members** present who are entitled to vote shall choose one of their number to preside over the meeting.

6.10.5 The individual presiding over the meeting (or any adjournment of the meeting) may at any time (and will, if directed by a resolution of the meeting) adjourn the meeting to a time and location which he (or she) considers reasonable.

6.10.6 Other than as provided in Rule 6.10.14, no business other than unfinished business from the original meeting shall be transacted at any adjourned meeting.

6.10.7 Every adjourned meeting will be deemed a continuation of the original meeting but any resolution passed at an adjourned meeting will be treated as having been passed on the actual date on which it was passed and not on any earlier date.

6.10.8 No notices shall be required for any adjournment of less than 30 days. If a meeting is adjourned for 30 days or more, at least 14 days notice of the adjourned meeting will be given to the **Members**. The notice shall provide all the information required under Rule 6.8.

6.10.9 Subject to the **Act** and the **Rules**, every question submitted to an Annual General Meeting or Special General Meeting will be decided by a simple majority and such a vote shall be taken in the first instance by a show of hands.

6.10.10 A poll may (before or on the declaration of the result of the show of hands) be demanded by:

- the individual presiding over the meeting; or
- three **Members** who are entitled to vote at the meeting and are present or represented at the meeting,

and in the event of such a demand, a poll will be taken in accordance with Rule 6.10.14 but no poll will be permitted upon a resolution to appoint a chairman.

6.10.11 Unless a poll is demanded, a declaration by the individual presiding over the meeting that a resolution, on a show of hands has been carried or not carried and by what majority will be conclusive evidence of the fact, without proof of

the details of the votes recorded in favour of or against such a resolution, and an entry to that effect shall be made in the minutes of the meeting.

6.10.12 If a motion for a special resolution is to be put to the vote of the meeting or there is a contest for the office or appointment of a **Director** or auditor, a poll shall be deemed to have been demanded by the individual presiding over the meeting.

6.10.13 Except in the case of a motion for a special resolution or of a contest for the office or appointment of a **Director** or auditor, the demand for a poll may be withdrawn before the poll is taken but only with the consent of the individual presiding over the meeting. A demand so withdrawn will not invalidate the result of a show of hands declared before the demand was made.

6.10.14 If a poll is demanded, it shall be taken at the meeting at which it is demanded or, if the individual presiding over the meeting decides, at an adjourned meeting. In either case the result of the poll will be deemed to be declared on the actual date of the meeting or adjourned meeting at which the poll was taken. The individual presiding over the meeting may appoint scrutineers (who need not be members of the **Society**) and may adjourn the meeting or adjourned meeting to a later date, time and/or location for the purpose of taking and/or declaring the result of the poll.

6.10.15 A poll demanded on a question of adjournment shall be taken forthwith and the result declared immediately upon the conclusion of the poll. A poll demanded on any other question shall not prevent the continuance of a meeting for the transaction of any business other than that upon which the poll has been demanded.

6.10.16 Voting papers to be used on a poll are valid only if they are issued by the **Society**.

6.11 Entitlement of Members to Vote on Resolutions

6.11.1 Only **Members** who are **Insured Members** or **Commuted Members** and:

- if voting in person, are not **In Arrears** with their **Premiums** on the date of the meeting, or
- if voting by proxy, are not **In Arrears** on the final date set for the receipt of the instruments appointing proxies to vote at the meeting

are entitled to vote on any special or ordinary resolution at that meeting.

6.11.2 The holder of a power of attorney from an individual, entitled to vote under Rule 6.11.1 shall, if the power of attorney is duly registered with the **Society** and permits the holder to exercise the rights of the **Member**, be entitled to vote in the **Member's** place but will not be entitled to appoint a proxy or an attorney.

6.11.3 An individual who is entitled to vote under Rule 6.11.1 and in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning any mental disorder, may vote through any representative appointed by that court. Any such representative may vote either on a show of hands or on a poll, and if on a poll, may vote by proxy. Evidence of the appointment, satisfactory to the **Board**, must be deposited with the **Society** at the **Registered Office** not less than 2 clear days before the date of the meeting or adjourned meeting, at which the right to vote is to be exercised. Failure to provide the evidence of appointment by the court will result in the withdrawal of the right to vote.

6.12 Appointment of Proxies

6.12.1 A **Member** entitled to vote on any special or ordinary resolution at the meeting:

- may appoint one person (whether a **Member** or not) as proxy to attend and, on a poll, to vote at the meeting instead of the **Member**; and
 - may direct the proxy how to vote at the meeting.
 - 6.12.2 The instrument in the form set out in T1.1 of the Tables, appointing a proxy or a representative must be received by the **Society** not less than 48 hours before the time of the meeting, or the adjourned meeting, otherwise the instrument will be invalid.
 - 6.12.3 The **Society** may add to the instrument appointing proxy any additional explanatory notes it sees fit.
 - 6.12.4 The instrument appointing a proxy shall confer authority to demand or join in demanding a poll and to speak at the meeting.
 - 6.12.5 If a **Member** who, at the latest time for the receipt of proxy instruments, is entitled to attend and vote at the meeting, appoints a person as a proxy to vote at that meeting and then ceases after that time to be so entitled, that person may continue to act as the **Member's** proxy at that meeting.
 - 6.12.6 A vote in accordance with the terms of an instrument of proxy will be valid notwithstanding the previous death or mental disorder of the appointor or revocation of the proxy or of the authority under which the proxy was executed, provided that no written notice of such death, mental disorder, revocation or transfer has been received by the **Society** at its **Registered Office** before the commencement of the meeting or adjourned meeting at which the proxy is used.
- 6.13 **Pension and Other Schemes and Funds**
- 6.13.1 The **Society** may grant on such terms as it thinks fit allowances, gratuities, mortgage loans, donations and bonuses or establish, maintain and administer any pension, life assurance, sickness, annuity and other schemes or funds (whether contributory or not) for the benefit of:
 - past, present or future officers and employees of the **Society**;
 - past and present officers and employees of any society with which the **Society** merges in the future; or
 - the spouses, children and dependents of such employees and officers.
 - 6.13.2 The **Board** may make, vary and revoke the rules of any fund or scheme mentioned in Rule 6.13.1 and may constitute any trust and may from time to time at its discretion exercise any powers reserved to the **Society** by the terms of any trust constituted by the **Society**, including the power of modifying or discontinuing the terms of any such trust or any rules or regulations that may be or may have been made pursuant thereto.
 - 6.13.3 For the purposes of Rule 6.13, “officers” excludes any **Director** who does not hold and has never held any executive position with the **Society** in addition to that of **Director**.
- 6.14 **Accounts and Records**
- 6.14.1 The **Society** shall maintain financial and other records and systems of control, inspection and reports to the Board, in accordance with **Relevant Legislation**.
 - 6.14.2 The **Society** shall provide such information, reports and opinions and within such time limits as specified by the **Regulator**.
 - 6.14.3 The **Society** shall submit its **Annual Report and Financial Statements** along with the auditor’s report to the **Regulator** within such time limits as specified by the **Act**.
 - 6.14.4 The **Society** shall supply free of charge to every **Member** on demand a complete copy of the **Annual Report and Financial Statements**, the

Remuneration Report and the Auditor's report thereon by such mediums as permitted by **Relevant Legislation**. The **Society** shall ensure that copies are also made available at every office of the **Society** .

6.15 **Inspection of Records**

The **Board** shall make all the records of the **Society** available for inspection by any **Member** or person having an interest in the **Society** at all reasonable hours, at the **Registered Office** of the **Society**, or at any place where the records are kept, and it shall be the duty of the **Secretary** to produce the same accordingly. No individual shall, unless an officer of the **Society**, or is specially authorised by a resolution of the **Society**, have the right to inspect any commercially sensitive information, any information the disclosure of which is considered by the **Board** to be against the interests of the **Society** or any personal information in respect of any other **Member** without the written consent of that **Member**.

6.16 **Auditors**

6.16.1 At each Annual General Meeting the **Society** shall appoint an independent auditor to audit its **Annual Report and Financial Statements**. An individual or a firm may be appointed as auditor. The **Society** shall notify the **Regulator** within the time limits specified by **Relevant Legislation** if no auditor has been appointed or re-appointed.

6.16.2 In order to qualify for appointment as an independent auditor, the individual or firm must be a member of a recognised supervisory body under the Companies Act 1985 and should not be ineligible for appointment under the rules of that body.

6.16.3 The following are disqualified from acting as independent auditors of the **Society**:

- an officer or employee of the **Society**; or
- a partner or an employee of such a person or a partnership of which such a person is a partner; or
- a person who has, or whose Associates have, Connections (both as defined in the Companies Act 1985) with the **Society** or any of its subsidiaries; or
- a person who is ineligible under the **Relevant Legislation**.

6.16.4 The **Board** may appoint an independent auditor to fill any casual vacancy occurring between general meetings of the **Society**.

6.16.5 The remuneration, including any sums in respect of expenses, to be paid to the auditor shall be fixed by the **Board**.

6.16.6 The **Society** may by ordinary resolution in general meeting remove an auditor before expiration of the term of office, and notice of such resolution shall be sent by the **Secretary** to the **Regulator**, within the time limits specified by **Relevant Legislation**.

6.16.7 A resolution at an Annual General Meeting or a Special General Meeting of the **Society**;

- removing an auditor before the expiration of the term of office; or
- appointing another person as auditor in place of a retiring auditor,

shall not be effective unless notice of the intention to move it has been given to the **Secretary** not less than 45 days before the meeting at which it is moved. On receipt of notice of intention to move any such resolution, the **Secretary** shall give notice of the resolution to the **Members** and to the person proposed to be removed or, as the case may be, to the person to be appointed and to the retiring auditor. The **Secretary** shall, unless on application the court directs otherwise, also inform the **Members** of any representations made by the person proposed to be removed or, as the case

may be, the retiring auditor, and shall make copies of the representations available at the meeting at which the resolution is to be moved.

6.16.8 Where the **Society** receives from an auditor a written notice of resignation of office, the **Secretary** shall send a copy of that notice to the **Regulator**, within the time limits specified by **Relevant Legislation**.

6.16.9 Where the **Secretary** receives from an auditor, on cessation of office, a statement of any circumstances which the auditor considers should be brought to the attention of the **Members** and creditors of the **Society**, the **Secretary** shall, unless on application the court directs otherwise, call a Special General Meeting and send a copy of such statement to the **Members**.

6.17 **Actuary and Valuations**

6.17.1 The **Society** must have an **Actuary** who shall be appointed and whose appointment may be terminated by the **Board**. The **Board** shall notify the **Regulator** of all appointments and changes, within such time limits as specified by **Relevant Legislation**.

6.17.2 The **Board** shall arrange for the **Actuary** to undertake such investigations and provide such reports and opinions as required by **Relevant Legislation**.

6.18 **Application and Investment of Funds**

6.18.1 All moneys received by means of **Premiums**, donations, income from investments or otherwise, shall be used to carry out the business of the **Society** in accordance with the Rules.

6.18.2 Any transfer of assets between the **Society** and a subsidiary shall be at arm's length and for a proper market value consideration (except as authorised by s.16 of the **Act**) and there shall be a proper apportionment of all items of money and expenses between the **Society** and its subsidiaries.

6.18.3 Any funds of the **Society**, which are not required for immediate use, or to meet the liabilities, shall, with the consent of the **Board** and where appropriate with the approval of the **Actuary**, be invested in any of the following ways, namely:

- in the purchase of development of land;
- in any investment in which trustees are for the time being by law authorised to invest trust funds; or
- at any time during which the **Society** falls within s 14(3) of the **Act** (or is treated as doing so for the purposes of s 14(2) of the **Act**), in the purchase of any interest in any kind of property, located anywhere in the world, regardless of whether the property produces income or incurs liabilities for the **Society** and the **Society** may also lend its funds either against security or against no security.

6.19 **Common Seal**

6.19.1 The Common Seal of the **Society** shall bear the name of the **Society** in a circle which may enclose the **Society's** initials or a representation of its grant of arms.

6.19.2 The **Society** may have, in addition to the Common Seal one or more other seals each of which shall be an exact replica of the Common Seal. Any provisions relating to the safe custody and otherwise of the Common Seal shall also apply to any such replica seal.

6.19.3 The Common Seal shall be kept at the Registered Office or at such other place as determined by the **Board**, and shall be in the custody of such individual as directed by the **Board**.

6.19.4 The Common Seal shall not be used without the authority of the **Board** or of a sub-committee authorised on the **Board's** behalf and, when used or affixed to

any document, the document shall be countersigned by such individual or individuals as authorised by the **Board**. All documents so sealed and countersigned shall be deemed to be validly executed by the **Society**.

6.19.5 In this Rule the word “countersigned” includes the use of a facsimile signature by whatever process reproduced. The use of such facsimile signature is only authorised to the extent permitted by the **Relevant Legislation**.

6.20 **Voluntary Dissolution**

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

6.21 **Distribution of Surplus Assets on Winding-up**

Upon the winding-up of the **Society**, or dissolution by consent, any surplus remaining after payment in full of the **Society's** creditors shall be divided among **Members** at the date of the commencement of dissolution or winding-up in the ratio of each **Member's** financial interest in the **Society**, as certified by the **Actuary**, to the **Society's** total net assets.

6.22 **Communication with Members**

6.22.1 The **Society** will give notice of a meeting (including any statements) by sending it by post to the registered address of the **Member**. All correspondence, summonses and notices shall be deemed to have been duly served if addressed to the **Member** or person for whom they are intended, at the last known address and delivered or sent by post, to that address.

6.22.2 Where a notice is required to be sent to a **Member**, it will be given to the holder of a power of attorney, which has been duly registered in the records at the **Registered Office**, by sending the notice by post to the registered address of the holder of the power of attorney. No notice will be given to the **Member** who gave the power.

6.22.3 Where a notice is required to be sent to a **Member** and if a **Member** is suffering from mental disorder, the notice may be given by the **Society** to the **Member's** receiver, curator bonis or other person on their behalf, appointed by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder. Such a notice shall be sent by post to the address supplied for the purpose by the receiver, curator bonis or other person or, until such an address has been so supplied, by sending the notice by post to the registered address of the **Member**.

6.22.4 A **Member** may only give notices to the **Society** by doing so in writing and by sending the notice to the **Registered Office** of the **Society**. No notice from a **Member** shall have effect unless received by the **Society**.

6.23 **Change of Name and Registered Office**

6.23.1 The **Society** may change its name by a special resolution of the **Society** in general meeting. Notice of the change shall be sent to the **Regulator** in the appropriate form.

6.23.2 The **Society** may change its **Registered Office** by resolution of the **Board**. Notice of the change shall be sent to the **Regulator** in the appropriate form and within the appropriate limits.

6.24 **Validity of Acts**

All acts of the **Board**, or any sub-committee, or any person acting as a **Director** shall, notwithstanding that it is afterwards discovered that there was some defect in the constitution of the **Board** or sub-committee or in the election or re-election or appointment of any **Director** or sub-committee member or person acting as aforesaid, or that any person was disqualified from holding office or was not entitled to vote, be as valid as if the **Board** or sub-committee had been properly constituted and as if

every such person had been duly elected or re-elected or appointed or entitled to vote and, where appropriate, was qualified and had been a **Director**.

VII RULES - THE BOARD, DIRECTORS AND OFFICERS OF THE SOCIETY

7.1 The Board

- 7.1.1 The actual and proposed business of the **Society** shall be under the direction of a committee of management (known as “the **Board of Directors**” or “the **Board**”) consisting of not more than fourteen nor (subject to the provisions of Rule 7.10.6) less than seven members. The **Board** may from time to time resolve the number who shall constitute the **Board** within these limits. At least one of the **Directors** must be an executive officer of the **Society**.
- 7.1.2 The **Board** may exercise all those powers of the **Society** that are not, by the **Memorandum, Rules**, or by the **Act**, required to be exercised in general meeting. In the exercise of such powers, other than those expressly stated to require a written resolution of the **Board**, the **Board** may (without prejudice to all or any statutory or regulatory obligations of the **Directors** and the provisions of Rule 7.1.4) delegate the ongoing implementation and exercise of its powers to the **Chief Executive** or other appropriate officer of the **Society**.
- 7.1.3 No **Rule** or alteration to a **Rule** made by the **Society** in general meeting shall invalidate any act of the **Board** prior to the date on which the **Rule** or alteration takes effect, which would have been valid if that **Rule** or alteration had not been made.
- 7.1.4 The **Board**:
- (i) shall ensure the direction and management of the affairs and business of the **Society**;
 - by a sufficient number of persons fit and proper to be **Directors** or other officers, in their respective positions;
 - with prudence and integrity;
 - in the best interests of the **Members** and in accordance with industry guidelines and best practice; and
 - in accordance with the **Memorandum, the Rules** and the **Act**;
 - (ii) shall supervise the activities of any subsidiary, jointly controlled body or branch of the **Society**;
 - (iii) may make, vary or revoke regulations for the conduct of business at its meetings, including, but not limited to:
 - voting rights, including casting votes;
 - special meetings; and
 - minutes of meetings;
 - (iv) may pay out of the funds of the **Society** the expenses of the **Society** and such sums as the **Board** may deem necessary or expedient to be paid in the interests of the **Society**, but no **Director** (other than a holder of any executive office) shall receive any payments other than those authorised by these **Rules**;
 - (v) may make, vary or revoke regulations for the conduct of all affairs and business of the **Society**, provided that they are not inconsistent with the **Memorandum** and these **Rules**, and with the **Act**;
 - (vi) may authorise the use of all forms, instruments and other documents that it may deem necessary for the proper conduct of the business of the **Society**.
- 7.1.5 The **Board** shall meet for business as often as necessary and at least half of the number of **Directors** from time to time shall form a quorum.
- 7.1.6 The validity of any proceedings or acts of the **Board** will not be affected by any vacancy for a **Director** or by any defect in the appointment of a **Director**.

7.2 Eligibility and Election of the Board

- 7.2.1 A individual may not stand, be elected or appointed as a **Director** unless:
- they are a **Member** below the age of 65 at the date of appointment or election; and
 - (except in the case of appointment to fill a casual vacancy or nomination of a **Director** retiring by rotation or under Rule 7.10.4), a nomination, signed by at least two **Members** who comply with the requirements of Rule 7.2.4 and addressed to the **Secretary**, has been delivered at the **Registered Office** before the end of the fifteenth day of December immediately prior to the date of Annual General Meeting at which the vacancy is to be filled.
- 7.2.2 The nomination form shall contain the full name, address, age and occupation of the person nominated, the consent of the **Member** to be so nominated, and the full names and addresses of the **Members** making the nomination. The nomination shall be assumed to be dated with the date of its receipt by the **Society**.
- 7.2.3 In discharge of its governance and statutory responsibilities, the **Board** may require any individual nominated for election as a **Director** to supply in writing:
- forms as the **Board** may specify,
 - evidence as to qualifications,
 - evidence of financial and managerial experience,
 - evidence of creditworthiness,
 - evidence of competence and character and
 - any form or questionnaire that, if elected, would be required to be submitted to the **Regulator** in accordance with **Relevant Legislation**.
- 7.2.4 In order to nominate a **Member** as a **Director**, an individual must:
- have been a **Member** of the **Society** for at least two years before the date of nomination; and
 - not be **In Arrears** with their **Premiums**.
- 7.2.5 Where a person becomes or ceases to be a **Director**, the **Society** shall give notice of that fact to the **Regulator** in a form and containing the information and within the time limits specified by the **Regulator**.

7.3 Appointment of Chairman and Vice-Chairman

- 7.3.1 At its first meeting after every Annual General Meeting, the **Board** shall elect from the **Directors** a chairman and a vice-chairman who shall hold office until the commencement of the first meeting of the **Board** after the next Annual General Meeting unless ceasing in the meantime to be a **Director**, resigning office or removed from office. The chairman shall preside at all meetings of the **Board** when present. In the absence of the chairman, the vice-chairman shall take the place of the chairman.
- 7.3.2 If the chairman and the vice-chairman are both absent or decline to preside over a meeting of the **Board**, the **Directors** present at that meeting shall elect a **Director** to preside over that meeting.
- 7.3.3 The **Board** may remove the chairman and vice-chairman from office at any time.
- 7.3.4 The **Board** shall fill from its members any casual vacancy in the office of chairman or vice-chairman, who shall hold office until the commencement of the first meeting of the **Board** after the next Annual General Meeting unless ceasing in the meantime to be a **Director**, resigning office or removed from office.

7.4 Remuneration and Expenses of Officers

7.4.1 The **Board** shall delegate all decisions relating to the remuneration of executive Directors and such other senior employees as the **Board** may determine from time to time to a committee, to be called the **Remuneration Committee**. The **Remuneration Committee** shall consist wholly of non-executive **Directors**.

7.4.2 Subject to Rule 7.4.1, each **Director** shall be entitled to such remuneration as the **Board** may from time to time determine. However, no **Director** shall be involved in decisions directly affecting their own remuneration (other than decisions about the remuneration of **Directors** generally).

7.4.3 A **Director** may, in addition, be paid:

- reasonable travelling, hotel and other expenses he may incur while attending the business of the **Society** as the **Board** may approve; and
- reasonable expenses he may incur in obtaining independent professional advice in relation to the performance of his duties as a **Director**.

7.5 Offices of Profit

7.5.1 A **Director** may hold any office or place of profit with the **Society** (other than the office of auditor or valuer) simultaneously with the office of **Director** and may be appointed by the **Board** to an office or place of profit with any body corporate in which the **Society** is, or will be, interested.

7.5.2 A **Director** appointed to an office or place of profit with a body corporate shall disclose to the **Board** any benefit derived from any such office or place in the financial year in which it is received.

7.5.3 A **Director**, notwithstanding an interest, may be counted in the quorum present at any meeting at which he or any other **Director** is appointed to hold any office or place of profit with the **Society** or with any body corporate in which the **Society** is, or will be, interested or at which the terms of any such appointment are arranged and a **Director** may vote on any such appointment or arrangement other than their own appointment or on the arrangement of the terms of that appointment.

7.6 Interest in Contract

7.6.1 Subject to a **Director** complying with the provisions for the time being of the **Act** that:

- require the **Director** to declare to the **Board** any direct or indirect interest they might have, or be treated as having, in any transaction or arrangement to which the **Society** is a party;
- prohibit any particular transactions or arrangements;
- require any transaction or arrangement to be approved by a resolution at a general meeting; or
- require the **Director** to furnish to the **Society** particulars of any related business,

the **Director** may enter into or be interested, in any transactions or arrangements with the **Society** and shall not be disqualified from office thereby, nor shall he be liable to account to the **Society** for any profit arising out of any such transactions or arrangements to which he is a party or is interested in by reason of being a **Director**.

7.6.2 No **Director** may vote in regard to any transaction or arrangement, or proposal in which they are interested, or upon any matter arising out of it. No such vote shall be counted, nor shall a **Director** be counted in establishing a quorum when any such transaction or arrangement, or proposal is under consideration.

- 7.6.3 The prohibition contained in Rule 7.6.2 may at any time be suspended or relaxed to any extent by resolution at a general meeting of the **Society**.
- 7.6.4 Rule 7.6 does not apply to any interest a **Director** may have as a director of a subsidiary or associated undertaking of the **Society**.

7.7 **Appointment of Officers, Employees and Others**

- 7.7.1 The **Society** must have a **Chief Executive** and a **Secretary** who shall be appointed and whose appointment may be terminated by the **Board**. The same person may not hold both offices simultaneously.
- 7.7.2 The **Chief Executive** is responsible under the immediate authority of the **Board** for the conduct of the business of the **Society**.
- 7.7.3 The **Board** shall take all reasonable steps to ensure that the person appointed as **Chief Executive** or **Secretary** has the requisite knowledge and experience to discharge the functions of that office.
- 7.7.4 Where a person becomes or ceases to be the **Chief Executive** or **Secretary**, the **Society** shall give notice of that fact to the **Regulator** in a form, containing such information and within such time limits as specified by the **Regulator**.
- 7.7.5 The **Board** may also:
- appoint and terminate the appointment of any employees, advisers and agents as determined by the **Board** at any time;
 - appoint under this Rule more than one person to any office or place with the exception of the office of **Chief Executive** and **Secretary**,
- and may require from any person appointed under Rule 7.7 such guarantees as in its judgement shall appear necessary.
- 7.7.6 The powers and duties of persons appointed under Rule 7.7 shall be those given to them from time to time by the **Board**, which may pay them such salaries, wages, commissions and bonuses, compensation for loss of office or of employment, fees and other remuneration as it considers appropriate.

7.8 **Indemnity to Directors, Officers and Employees**

- 7.8.1 Every **Director**, officer and employee of the **Society** shall be indemnified by the **Society** against any liability in respect of losses, costs, charges, damages and expenses which may arise from, or in the course of, their duties, but not against any such liability as by virtue of any rule of law or **Relevant Legislation**, would attach to them in respect of any negligence, default, breach of duty or breach of trust of which they might be guilty in relation to the **Society**. They shall, however, be indemnified against any liability incurred by them in defending any proceedings whatsoever, whether civil or criminal, arising out of their duties in relation to the **Society** in which judgement is given in their favour or in which they are acquitted.
- 7.8.2 The **Society** may take out a policy of insurance to cover any indemnity or liability mentioned in Rule 7.8.1.

7.9 **Vacation of Office and Disqualification from Office**

- 7.9.1 A **Director** shall cease to hold office with immediate effect:
- if resigning office by notice in writing to the **Secretary**; or
 - if ceasing to be a **Member**; or
 - if taking up a **Permanent Residence** outside the **Membership Area**, or
 - if requested in writing by all other **Directors** to resign and a resolution that the individual has vacated office is thereafter passed at a meeting of the **Board** by at least three-fourths of the whole **Board**; or

- if for more than six consecutive months is absent without permission of the **Board** from meetings of the **Board** held during that period and the **Board** passes a resolution that the **Director** has vacated office; or
- if becoming bankrupt or is sequestrated or compounds or makes any arrangement with creditors generally; or
- if suffering, or might be suffering, from mental disorder and either is admitted to hospital in pursuance of an application for admission for treatment under the provisions of the Mental Health Act 1983, the Mental Health (Scotland) Act 1984 or the Mental Health (Northern Ireland) Order 1986 or an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for the detention of the **Director** or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to the **Director's** property or affairs;
- upon a resolution of which notice has been given under Rule 6.8 that the individual shall cease to be a **Director** is passed by three-fourths of the votes cast on a poll at a general meeting;
- if, whilst a **Director** of the **Society** and without the prior consent of the **Board**, he accepts the office of a director (or equivalent) in another organisation, company or body deemed by the **Board** to be in competition with the business of the **Society**;
- if an executive **Director**, upon cessation of employment with the **Society**;
- or
- if a non-executive director first appointed to the **Board** on or after 1 January 2004, upon the conclusion of the Annual General Meeting immediately following their 15th year of appointment;
- if a non-executive director first appointed to the **Board** on or before 31 December 2003, upon the conclusion of the Annual General Meeting immediately following their 65th birthday;
- if prohibited by law or the **Regulator** from being a director; or
- if the **Director** knowingly or recklessly fails to declare an interest in a contract and the **Board** passes a resolution that the individual has vacated office.

7.9.2 The **Secretary** shall give not less than 30 clear days' notice in writing to the **Board** of a meeting at which it is intended to move a resolution that a **Director** has vacated office. The notice shall set out the proposed resolution and, if all the requirements of this Rule are not complied with, the resolution, even if passed, shall have no effect.

7.10 Filling of Casual Vacancies

7.10.1 The **Board** may appoint an individual as **Director** to fill any vacancy not created by a **Director** retiring by rotation.

7.10.2 If the **Board** resolves to increase the number of **Directors**, within the limits imposed by the Rules, it may appoint an individual as an additional **Director** to fill any vacancy.

7.10.3 The **Board** shall appoint under this rule only an individual who:

- is fit and proper to be a **Director**;
- is eligible for election as a **Director**;
- is not a person who, having been nominated for election as a **Director** at any election held within the preceding 12 months, was not elected.

7.10.4 Any **Director** appointed to fill a casual vacancy shall hold office until the end of the Annual General Meeting immediately following the appointment.

7.10.5 Any **Director** retiring under Rule 7.10.4 shall be deemed to be a **Director** retiring by rotation and shall be eligible for election without nomination, if qualified under Rule 7.2.1 at the date of the Annual General Meeting at which they retire.

7.10.6 If for any reason the number of the **Board** falls below the minimum specified by the Rules, any Board constituted with insufficient **Directors** to form a quorum may act by a majority of its **Directors** for a maximum period of three months.

7.11 Retirement by Rotation

7.11.1 In addition to **Directors** retiring under Rule 7.10.4, any **Director** who has not been elected or re-elected at either of the two preceding Annual General Meetings or has served as a **Director** for a total period of nine years or more, will retire from office at the Annual General Meeting in each year.

7.11.2 Any **Director** retiring by rotation will be eligible for re-election without nomination provided they are qualified under Rule 7.2.1 at the date of the Annual General Meeting at which they retire.

7.11.3 Elections of **Directors** shall be conducted either at the Annual General Meeting or at a Special General Meeting of the **Society**. If at such a meeting there is a contest for the office of **Director** in that the number of candidates for election or re-election to the **Board** (including **Directors** retiring by rotation) exceeds the number of vacancies thereon, the vacancies shall be filled by those candidates obtaining the most votes. The vote shall be taken on a poll, which shall be deemed to have been demanded by the chairman. The following additional provisions apply to such a poll -

- (i) the voting papers shall include the number of vacancies on the **Board**, the full names of all the candidates and any declarations required by the **Act**;
- (ii) subject to (i) above, the **Board** may prescribe or approve the form of the voting paper and may include such other declarations and denoting of retiring **Directors** as it thinks fit;
- (iii) the voting shall be effected by the placing of an X after the names of the candidates for whom the votes are to be cast;
- (iv) the voting papers shall be void if a **Member** votes for more candidates than there are vacancies to be filled;
- (v) each **Member** shall have one vote in respect of each vacancy to be filled, and
- (vi) no **Member** shall be required to cast all or any of the votes available under (v) above.

VIII RULES – DISCIPLINARY MATTERS

8.1 Cancellation of Membership

- 8.1.1 In addition to any other provisions in the **Rules**, the **Society** has the right to cancel the **Membership** of any person who:
- has made an untrue statement; or
 - acted fraudulently; or
 - concealed or misstated **Material Information** or failed to act with due care or in utmost good faith in connection with, admission to the **Society**, change in **Benefits**, general administration of **Membership** or any claim for **Benefits**; or
 - failed to provide any **Material Information** in connection with a change in **Benefits**, general administration of **Membership** or any claim for **Benefit** within 30 days; or
 - Is in breach of the **Rules**; or
 - Is convicted of a criminal offence; or
 - Is more than 45 days **In Arrears** with all or part of their **Premiums**; or
 - Is barred or suspended from practicing their **Insured Occupation** on account of fraud, error, crime or misconduct.
- 8.1.2 Any **Member** expelled from the **Society** under any of the Rules is liable to forfeit all **Benefits** and other claims against the **Society**. The **Society** in its discretion may pay any proportion of forfeitures to expelled **Members** as it sees fit.
- 8.1.3 Any appeal against the decision shall be regarded as a complaint and shall be subject to the **Society's** complaints procedure

8.2 Disputes

- 8.2.1 Any dispute between:
- a current or a past **Member**; or
 - a person claiming through the current or past **Member** or under the Rules,
- and the **Society** or any **Officer** of the **Society** may be decided by reference to arbitration under this **Rule** and the Arbitration Rules of the **Society** or, where both parties consent, by reference to the county court.
- 8.2.2 Twelve independent arbitrators shall be elected at general meeting and any vacancy or vacancies shall be filled at the general meeting.
- 8.2.3 Six arbitrators shall be selected from persons with relevant financial services experience with the other six being individuals being retired or practicing dentists. The complaining party shall choose three arbitrators to decide the dispute, with at least one individual from each group. In the event the arbitrator is unavailable, the **Member** shall be given the opportunity to choose a suitable alternative arbitrator, from the same group.
- 8.2.4 In a decision is not reached by the arbitrators within 40 days beginning with the day on which application was made for such a determination, either party may apply for determination of the dispute by the county court.

8.3 Complaints

- 8.3.1 As an alternative or prior to declaring that a dispute has arisen and invoking the disputes procedure under Rule 8.2 any **Member** entitled so to do may make a complaint to the **Society**.
- 8.3.2 The complaint shall be handled by a senior person within the **Society** and in accordance with **Relevant Legislation**.

- 8.3.3 If dissatisfied by the **Society's** decision, the complainant may refer the matter to the Ombudsman under the FSMA.
- 8.3.4 Without prejudice to section 80(1A) of the Act, if at any stage during or within 30 days after the completion of the above complaints procedure, the complainant chooses to declare that a dispute has arisen and to invoke the disputes procedure in Rule 8.2, the complaints procedure shall be discontinued and all documents thereunder shall be produced to the body which is to decide the dispute.

8.4 **Compensation Schemes**

- 8.4.1 The **Board** may subscribe in the name of the **Society** to any compensation scheme authorised and approved by the **Regulator** for the purpose of making funds available to meet all or part of the losses incurred by any company which is a party to the arrangements or by the customers of any such company.
- 8.4.2 The **Society** shall, in the event of such subscription being made comply with all duties or obligations of membership of such a scheme.

8.5 **Applicable Law**

- 8.5.1 Subject to the laws of a member state of the European Union, or part thereof, the applicable law in respect of any contracts entered into with the **Society**, shall be English law.

TABLE 1 - FORMS

T1.1 Form of Proxy

To: Dentists' Provident Society Limited,
 I _____
 of _____
 hereby appoint the chairman of the meeting or failing him or her _____
 _____ of _____
 as my proxy to attend, speak and vote in my name and on my behalf at the meeting of
 the Society to be held on the _____ day of _____ 20__ and at any
 adjournment thereof.

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

Resolution No	For	Against
1.		
2.		

Dated this _____ day of _____ 20__
 Signature _____

T1.2 Form of Nomination – Unspecified Sum

To: Dentists' Provident Society Limited,
 I _____ of (postal address)
 _____ a member of the above
 named Society, hereby nominate _____ of (postal address)
 _____ as the person to whom any
 sum of money payable by the Society on my death, not exceeding the limit for the
 time being specified by law, shall be paid.

Dated ____ 20__
 Signature _____
 Witness _____

T1.3 Form of Nomination – Specified Sum

To: Dentists' Provident Society Limited,
 I _____ of (postal address)
 _____ a member of the above
 named Society, hereby nominate _____ of (postal address)
 _____ as the person to whom £
 _____ of the money payable on my death shall be paid.

Dated ____ 20__
 Signature _____
 Witness _____

T1.4 Form of Revocation

To: Dentists' Provident Society Limited,

I _____ of (postal address)
_____ a member of the above
named Society, hereby revoke the nomination made by me on the ____ day of 20__.

Dated ____ 20__

Signature _____

Witness _____

T1.5 Form of Variation

To: Dentists' Provident Society Limited,

I _____ of (postal address)
_____ a member of the above
named Society, hereby vary the nomination made by me on the ____ day of 20__.

Dated ____ 20__

Signature _____

Witness _____

TABLE 2 – MEMBERSHIP

T2.1 Shares

- T2.1.1 Each **Member** of the **Society** shall be required to hold a minimum of 1 **Share**.
- T2.1.2 The maximum number of shares that a **Member** may hold is the lower of:
- 2,000, and
 - the number of **Sickness Benefit Units** held by the **Member**
- T2.1.3 The **Board** reserves the right to declare bonuses based on **Members'** shareholdings.
- T2.1.4 The **Shares** will not provide any **Sickness Benefits**.
- T2.1.5 Subject to the limitations in the **Rules** and **Tables**, **Insured Members** may alter the **Shares** they hold at any time.
- T2.1.6 The maximum number of **Shares** the **Commuted Members** may subscribe for will be calculated in accordance with T2.1.2 on the date immediately preceding that from which the election to become a **Commuted Member** becomes effective.
- T2.1.7 **Commuted Members** may subscribe to a lower number of **Shares** than those calculated in accordance with T2.1.6 or may reduce the **Shares** held at any time but **Commuted Members** may not increase their shareholding in the **Society**.

T2.2 Sickness Benefit Units

- T2.2.1 **Sickness Benefits** will be provided using **Sickness Benefit Units**. The **Rules** applying to **Sickness Benefits** shall also apply to all **Sickness Benefit Units**.
- T2.2.2 Each **Insured Member** shall hold **Sickness Benefit Units** at least equal to the number of Shares held.
- T2.2.3 The maximum number of **Sickness Benefit Units** held by the **Member** excluding any increases under any **Options** shall not exceed 2,000,.
- T2.2.4 Each **Sickness Benefit Unit** shall provide **Sickness Benefits** at a rate of 60 Pence per week in accordance with the **Rules**.
- T2.2.5 The **Sickness Benefits** will be paid on the basis of a six day week.
- T2.2.6 **Sickness Benefit Units** shall not qualify for any surplus or bonus entitlement.

T2.3 Deferred Periods

- T2.3.1 The following **Deferred Periods** are available:
- No **Deferred Period - Benefits** paid from the first day of **Incapacity**. The minimum period of the claim shall be one full day of **Incapacity**.
 - 52 weekly **Deferred Periods** from 1 Week to 52 Weeks.
 - 104 Week **Deferred Period**.

T2.4 Base Premium Rates

- T2.4.1 Unless the **Level Premiums Option** has been chosen, the **Base Premium Rates** for Shares and **Sickness Benefit Units** for each month will be calculated on an attained age basis.

T2.4.2 The standard **Premiums** quoted in the **Rate Tables** are **Base Premium Rates** only and are not indicative of the **Premium** that may be payable by a **Member**. The **Premium** payable by a **Member** from time to time will be subject to Rule 3.7.

T2.5 Premium Discounts and Special Promotional Schemes

T2.5.1 Subject to due compliance with the **Rules**, the **Society** has the right to provide individuals or groups of individuals (who may or may not be **Members** of the **Society**) such discounts and such terms as considered appropriate by the **Board**.

T2.5.2 Subject to due compliance with the **Rules**, the **Society** reserves the right to run special promotional schemes for such individuals or groups of individuals (who may or may not be **Members** of the **Society**) and on such terms and for such duration as considered appropriate by the **Board**.

T2.5.2 The **Board** reserves the right to withdraw any discounts or special promotional schemes at any time.

T2.6 Maximum Insurable Income

T2.6.1 The **Maximum Insurable Income** means the weekly equivalent of 60% of **Pre-Incapacity Earnings**.

T2.7 Minimum Level of Sickness Benefits

T2.7.1 The minimum level of **Sickness Benefits** subscribed by an **Insured Member** shall not fall below £50.00 per week.

T2.4.2 The standard **Premiums** quoted in the **Rate Tables** are **Base Premium Rates** only and are not indicative of the **Premium** that may be payable by a **Member**. The **Premium** payable by a **Member** from time to time will be subject to Rule 3.7.

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Dentists' Provident Society Limited

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We may monitor calls to improve our service.

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Website: **www.dentistsprovident.co.uk**

Dentists' Provident is the trading name of Dentists' Provident Society Limited which is incorporated in the United Kingdom under the Friendly Societies Act 1992 (Registration Number 407F) and is authorised and regulated by the Financial Services Authority (Firm Reference Number 110015)