

Adopted on 28th April 2016

ARTICLES OF ASSOCIATION

OF

THE MILITARY MUTUAL LIMITED

THE MILITARY MUTUAL LIMITED

The Military Mutual is owned by its Members, all of whom belong to the Military Family. The Military Mutual has been created to further the aims of The Armed Forces Covenant.

The Armed Forces Covenant embodies the obligations, which the members of HM Forces and the nation have towards each other. All members and former members of HM Forces, and their families, are entitled to expect fair treatment, to be valued and respected as individuals, and to be supported by society. The founding aim of The Military Mutual is to endeavour to embody the bonds of identity, loyalty, trust and responsibility which are enshrined in The Armed Forces Covenant.

To achieve this aim, The Military Mutual will offer members of the Military Family an innovative blend of covers and services many of which will be specifically designed to accommodate their special circumstances and requirements. The Military Mutual is firmly committed to supporting all its Members and will seek always to uphold the highest standards of integrity and service.

TABLE OF CONTENTS

PART 1

OBJECTS, LIMITATION OF LIABILITY AND INTERPRETATION

1.	Objects	6
2.	Limited Liability of Members	7
3.	Definitions and Interpretation	7

PART 2

THE BOARD

THE BOARD'S POWERS AND RESPONSIBILITIES

4.	The Board's general authority	12
5.	The Board may delegate	13
6.	Committees	14

DECISION-MAKING BY THE BOARD

7.	Directors to take decisions collectively	14
8.	Unanimous decisions not made at Board meetings	14
9.	Board meetings	15
10.	Participation in Board meetings	15
11.	Quorum for Board meetings and Voting by Independent Directors	16
12.	Chairing Board meetings	16
13.	Casting vote at Board meetings	17
14.	The Board's Resolutions and Acts	17
15.	Conflicts of Interest	18
16.	Records of decisions to be kept	19

APPOINTMENT AND ELIGIBILITY OF DIRECTORS

17.	The Board of Directors	19
18.	The Appointment of Directors	20
19.	Termination of Director's appointment	21
20.	Retirement of Directors	23
21.	Directors' Services and Remuneration	23

22.	Directors' Expenses	24
-----	---------------------	----

PART 3

MEMBERS

BECOMING AND CEASING TO BE A MEMBER

23.	Eligibility and Applications for Membership; Membership personal to the Member	24
24.	Withdrawal from Membership	25
25.	Termination of Membership	25
26.	Monies Due on Termination of Membership	25

ORGANISATION OF GENERAL MEETINGS

27.	Frequency of General Meetings	25
28.	Calling a General Meeting	26
29.	Attendance and Speaking at General Meetings	26
30.	Quorum for General Meetings	27
31.	Chairing General Meetings	27
32.	Attendance and speaking by Directors, Independent Directors and the Managers	28
33.	Adjournment	28

VOTING AT GENERAL MEETINGS

34.	Voting: general	29
35.	Poll votes	29
36.	Proxy notices	30
37.	Revoking proxy notices	31
38.	Amendments to resolutions	31
39.	Withdrawal of resolutions	32

PART 4

PROPOSAL TO DE-MUTUALISE

40.	Proposal to De-Mutualise	32
-----	--------------------------	----

PART 5

ADMINISTRATIVE ARRANGEMENTS

GENERAL ADMINISTRATION

41.	Means of communication to be used	33
42.	Deemed delivery of notices, documents and information	34
43.	Mutual seals	34
44.	Accounts and Audit	35
45.	No right to inspect accounts and other records	35
46.	Appointment of a Secretary	35

INDEMNITY AND INSURANCE

47.	Indemnity: Directors and Secretary	35
48.	Insurance: Directors and Secretary	36
49.	Indemnity: the Managers	36

PART 6

THE REGISTER OF MEMBERS

50.	Inspection of the Register of Members	37
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PART 7

WINDING UP

51.	Winding Up	37
-----	------------	----

PART 1

OBJECTS, LIMITATION OF LIABILITY AND INTERPRETATION

1 OBJECTS

The objects of the Mutual are unlimited, but the Mutual's principal objects are:

- 1.1 to serve and support all members of the Military Family by providing, arranging or introducing risk protections and services to Members and to uphold the aims of The Armed Forces Covenant;
- 1.2 to receive Contributions from Members;
- 1.3 to establish a mutual fund for the payment of claims relating to certain liabilities, losses or expenses on a discretionary basis in accordance with the Rules;
- 1.4 to enter into or arrange insurance contracts on behalf of the Mutual or on behalf of any Member or Members as deemed necessary or appropriate from time to time, and to negotiate directly or indirectly with the insurance market to obtain cover for any risk on behalf of any Member or Members;
- 1.5 to invest and deal with the moneys of the Mutual not immediately required for the purposes of its business in or upon such stocks, shares, bonds, debentures, derivatives, futures, options, swaps, or other securities or the purchase of such currencies, commodities or other real or personal property, or by means of being deposited in accounts and in such manner as may from time to time be determined;
- 1.6 to borrow and raise money and to give any guarantee for payment of money or the performance of any contractual obligation or undertaking by any person, company or government body and to secure any such guarantee by mortgaging or charging any real or personal property or any other asset of the Mutual; and
- 1.7 should circumstances suggest doing so, to establish or promote a charitable foundation whose objects shall or may be calculated to advance the interests of the Military Family.

2 LIMITED LIABILITY OF MEMBERS

- 2.1 The liability of each Member is limited to ten pounds [£10] being the amount that each Member undertakes to contribute to the assets of the Mutual in the event of it being wound up while he is a Member, or within one [1] year after he ceases to be a Member, for:
- 2.1.1 payment of the Mutual's debts and liabilities contracted before he ceases to be a Member;
 - 2.1.2 payment of the costs, charges and expenses of winding up; and
 - 2.1.3 adjustment of the rights of the Members among themselves.

3 DEFINITIONS AND INTERPRETATION

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

Affiliated Body	Any company, association, trust or similar entity: <ul style="list-style-type: none">(i) wholly owned or controlled by a Member; or(ii) which, in the opinion of the Board, is closely connected to a Member but which is not a Member of the Mutual.
Armed Forces	The Armed Forces of the United Kingdom, being the Royal Navy, the Royal Marines, the British Army and the Royal Air Force.
Articles	These Articles of Association in their current form or as altered from time to time by special resolution.
bankruptcy/bankrupt	Includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy.
Board	The Board of Directors of the Mutual for the time being.

Certificate of Membership	The document issued by the Mutual under the Rules which evidences membership of the Mutual.
Chairman	As defined in Article 12.
chairman of the meeting	As defined in Article 31.
Companies Acts	The Companies Acts (as defined in section 2 of the Companies Act 2006) as amended from time to time, in so far as they apply to the Mutual.
Contribution	<p>Money paid or payable to the Mutual by or on behalf of a Member in respect of:</p> <p>(i) a Member's Cover, but not including any Insurer Money; and/or</p> <p>(ii) any other product or service offered, arranged or introduced by the Mutual.</p>
Cover	<p>The matters which are the subject of:</p> <p>(i) the discretionary protection provided by the Mutual in accordance with the Rules as set out in the Member Documents and Cover Wording of a Member;</p> <p>and where the context requires:</p> <p>(ii) a contract of insurance arranged by the Mutual on behalf of the Member; or</p> <p>(iii) a contract of insurance introduced by the Mutual to a Member.</p>
Cover Wording	The document which contains the details of the Member's Cover and forms part of the terms of Member's membership of the Mutual.
Director	A duly appointed Director of the Mutual, which includes any person occupying the position of Director, by whatever name called. The word Directors in the context

of the exercise of any power contained in these Articles includes any committee consisting of one or more Directors, any Director holding executive office and any Manager or agent of the Mutual to which or, as the case be, to whom the power in question has been delegated.

document	Includes, unless otherwise specified, any document sent or supplied in electronic form.
Financial Year	A year commencing at 00:01 hours on 1st July in any year up to and including 24.00 hours on the next following 30th June, or any other period so designated by the Board.
immediate family	As defined in the Rules.
Independent Director	A Director who is not a Member or an officer or employee of any Member or any Affiliated Body and who does not act as a Member's Representative or Member's Voting Representative.
Insurer Money	An insurance premium in respect of a contract of insurance received by the Mutual from a Member whether received or held by the Mutual as agent of the Member or the insurer.
Managers	The Managers appointed in accordance with Article 4.2.
Member	A member of the Military Family entered on the Mutual's Register of Members who is receiving Cover or a product or service provided, arranged or introduced by the Mutual, and, where the context requires, a Member's Representative, a Member's Voting Representative or, where the context requires, any of them.
Member Documents	The documents, by whatever name called, issued by the Mutual under the Rules which contain the matters set

out in Rule 18 and any endorsement or change to such documents.

Member's Representative In the case of a Member which is not a natural person, the officer or representative of such Member who is named in the Member's Member Documents and is duly authorised by the Member to receive statutory and other notices and documents from the Mutual, to communicate with and give instructions to the Mutual, and to provide a valid receipt for any payments which may be made by the Mutual to the Member.

Member's Voting Representative In the case of a Member which is not a natural person, the individual nominated by the Member, in writing, to attend and exercise the Member's right to vote at any General Meeting of the Mutual.

Military Family

- (i) All individuals who are serving or have served for a minimum of one [1] day in the Armed Forces, regular or reserve, and their immediate families.
- (ii) Serving and retired members of the Royal Fleet Auxiliary and their immediate families.
- (iii) Any Military Institutions such as Corps, Regiments, Stations, Schools, Bands, Museums, Charities and Associations of the Armed Forces.
- (iv) Subject to criteria laid down by the Board, individuals who have or have had a contract of service or contract for services with the Ministry of Defence.
- (v) Any other person who, in the opinion of the Board, is eligible for membership.

the Mutual The Military Mutual Limited.

participate In relation to a Board meeting, has the meaning given in Article 10.

proxy notice As defined in Article 36.

Rules	The Rules made in accordance with Article 4.3 and any amendments to those Rules.
Secretary	Any person appointed to perform the duties of a secretary of the Mutual.
SFA	Service Family Accommodation.
SSFA	Substitute Service Family Accommodation.
windfall	Any money paid to or other benefit received by any Member but excluding any return of Contribution or share in any surplus of the Mutual's funds.
working day	9.00am to 5.00pm on any day which is not a Saturday, Sunday or Bank Holiday in the United Kingdom.
writing	The representation or reproduction of words, symbols or other information in a visible, legible and non-transitory form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

- 3.2 Except as otherwise expressly stated, references in these Articles to Directors include Independent Directors.
- 3.3 References to persons include individuals, partnerships, corporations and mutuals.
- 3.4 The singular includes the plural and vice versa.
- 3.5 Unless the context otherwise requires, other words or expressions contained in these Articles have the same meaning as in the Companies Acts in force on the date when these Articles are adopted by the Mutual.
- 3.6 The Regulations contained in Schedule 2 of The Companies (Model Articles) Regulations 2008 and any statutory modification or re-enactment thereof shall not apply to the Mutual.

PART 2
THE BOARD

THE BOARD'S POWERS AND RESPONSIBILITIES

4 THE BOARD'S GENERAL AUTHORITY

- 4.1 Subject to the Articles and the Rules, the Board may exercise all the powers of the Mutual.
- 4.2 The Board may appoint a mutual management company as Managers to manage any or all aspects of the business of the Mutual on such terms, including the payment of remuneration to the Managers, as the Board thinks fit.
- 4.3 The Board shall make Rules from time to time prescribing:
- 4.3.1 the form of application for admission to membership of the Mutual;
 - 4.3.2 the nature and extent of the Cover provided by the Mutual to Members and the exclusions from such Cover, provided that all such Cover shall be available on a discretionary basis only, such discretion to be exercised by the Board or, if so delegated by the Board, by a committee or by the Managers;
 - 4.3.3 the basis upon which claims from Members shall be considered by the Board under the Rules and the Cover provided by the Mutual;
 - 4.3.4 the amounts of Contributions to the Mutual to be paid from time to time;
 - 4.3.5 the obligations of the Mutual and Members in respect of claims under the Cover provided by the Mutual; and
 - 4.3.6 such other matters incidental to the activities of the Mutual as the Board thinks fit.
- 4.4 Subject to Article 4.5 and any requirements set out in the Rules, the Rules may be altered from time to time as the Board considers appropriate.
- 4.5 In respect of each Member, unless any alterations are required for legal or regulatory reasons or to remedy any non-substantive errors or omissions, any alterations to the Rules shall not take effect until the earliest of:

- 4.5.1 if made after a Member's Cover Period (as defined in the Rules) commences, the commencement of that Member's next Cover Period; or
 - 4.5.2 approval by the Members by an ordinary resolution in General Meeting, notice of which shall be given to Members not later than fourteen [14] days before the date of the General Meeting at which the resolution is to be proposed.
- 4.6 The Contributions shall constitute the funds of the Mutual.
- 4.7 The Board shall consider all claims made under the Cover provided by the Mutual and may, in its sole and absolute discretion and in accordance with the Rules, grant from the funds of the Mutual to any Member such Cover wholly or in part in respect of such claims or reject the claim.

5 THE BOARD MAY DELEGATE

- 5.1 Subject to the Articles, the Board may delegate any of the powers which are conferred on the Board
- 5.1.1 to the Managers, or such person, entity or committee
 - 5.1.2 by such means (including by power of attorney)
 - 5.1.3 to such an extent
 - 5.1.4 in relation to such matters or territories and
 - 5.1.5 on such terms and conditions and with such directions as to how such delegated powers are to be exercised
- as the Board thinks fit.
- 5.2 If specifically permitted by the Board, any such delegation may authorise further delegation of the Board's powers by the Managers or any person, entity or committee to whom they are delegated.
- 5.3 Powers of delegation shall be given the widest interpretation and shall not be restrictively construed.
- 5.4 The Board may, at any time, revoke any delegation in whole or part, or alter its terms and conditions.

- 5.5 The delegation of any power by the Board shall not preclude the concurrent exercise of that power by the Board or by any other body or person authorised to exercise it, unless expressly prohibited by the terms of the delegation.

6 COMMITTEES

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

DECISION-MAKING BY THE BOARD

7 DIRECTORS TO TAKE DECISIONS COLLECTIVELY

Subject to Article 11.4, any decision of the Board must be either a majority decision of the Directors present and voting at a Board meeting, or a unanimous decision taken in accordance with Article 8.

8 UNANIMOUS DECISIONS NOT MADE AT BOARD MEETINGS

- 8.1 A decision of the Board not taken at a Board Meeting is taken in accordance with this Article when all eligible Directors indicate to each other by any means that they share a common view on a matter.

- 8.2 Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible Director or to which each eligible Director has otherwise indicated agreement in writing.
- 8.3 References in this Article to eligible Directors are to Directors who would have been entitled to vote on the matter had it been proposed as a resolution at a Board meeting.
- 8.4 For the avoidance of doubt, a Director to whom the provisions of Article 15.2 apply shall not be an eligible Director for the purposes of this Article 8.
- 8.5 A decision may not be taken in accordance with this Article if the eligible Directors would not have formed a quorum at a Board meeting.

9 BOARD MEETINGS

- 9.1 The Board shall meet at least four [4] times in any twelve [12] month period will regulate its meetings as it sees fit
- 9.2 Any Director, or the Mutual's Secretary (if any) or the Managers on the request of any Director, may summon a Board meeting.
- 9.3 Notice of a Board meeting must be given to each Director and the Managers, but need not be in writing.

10 PARTICIPATION IN BOARD MEETINGS

- 10.1 In determining whether Directors are participating in a Board meeting, it is irrelevant where any Director is or how they communicate with each other and the Board meeting may be held by telephone or by telephone conference or in any other way the Board thinks fit.
- 10.2 If all the Directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

11 QUORUM FOR BOARD MEETINGS AND VOTING BY INDEPENDENT DIRECTORS

- 11.1 At a Board meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 11.2 The quorum for Board meetings may be fixed from time to time by a decision of the Board, but it must never be less than three [3], and unless otherwise fixed it is three [3].
- 11.3 If the total number of Directors for the time being is less than three [3], the Board must not take any decision other than a decision to:
- 11.3.1 appoint a further Director or Directors; or
 - 11.3.2 call a General Meeting so as to enable the Members to appoint a further Director or Directors.
- 11.4 If less than five [5] Directors are participating in a Board meeting, only one [1] Independent Director may vote on any matter at that meeting.
- 11.5 Subject to Article 15.3 and 15.4, if less than five [5] Directors are participating in a Board meeting and two [2] of the Directors attending are Independent Directors, the Independent Directors shall draw lots to determine which of them shall vote on all matters at that meeting and the Chairman's decision on the result of the draw shall be final and binding.

12 CHAIRING BOARD MEETINGS

- 12.1 The Board shall elect a Director to chair its meetings.
- 12.2 The person so appointed for the time being is known as the Chairman.
- 12.3 An Independent Director shall not be elected as Chairman.
- 12.4 Subject to Articles 12.7, 19 and 20, the first Chairman to be appointed shall remain the Chairman for a period of ten [10] years from the date that the Mutual commenced offering Cover to Members.
- 12.5 Subject to Articles 12.4, 19 and 20, the Board shall elect a Chairman for a period of one [1] year from the date of his or her appointment.

- 12.6 If the Chairman is not participating in a Board meeting within ten [10] minutes of the time at which it was to start, the participating Directors must appoint one of themselves to chair it.
- 12.7 Subject to Article 11.4 and 12.8, the Board may terminate the Chairman's appointment at any time, by a unanimous vote at a Board meeting attended by all the Directors.
- 12.8 The Chairman shall not be entitled to participate in a vote taken under Article 12.7.

13 CASTING VOTE AT BOARD MEETINGS

- 13.1 Subject to Article 13.2, if the numbers of votes for and against a proposal are equal, the Chairman or other Director chairing the meeting has a casting vote in addition to his or her deliberative vote (if any).
- 13.2 The Chairman or Director chairing the meeting shall not have a casting vote if, in accordance with the Articles or the Rules, he is not to be counted as participating in the decision-making process for quorum or voting purposes.

14 THE BOARD'S RESOLUTIONS AND ACTS

- 14.1 A resolution in writing signed by (a) eligible Directors in accordance with Article 8, or (b) all the members of a committee for the time being duly convened and held, shall be valid and effectual as a resolution passed at a meeting of the Board, or as the case may be, of such committee, and such resolution may consist of several documents in like form each signed by one or more Directors.
- 14.2 Any acts done by any meeting of the Board, or of a committee of Directors, or by any person acting as a Director are, notwithstanding that it is afterwards discovered that there was some defect in the procedure for the appointment of a person to be Director or a member of the committee or to act as a Director, or that a person so appointed was disqualified, as valid as if the person had been duly appointed and was qualified to be a Director or to be a member of the committee.

15 CONFLICTS OF INTEREST

- 15.1 Subject to a Director disclosing his or her interest in accordance with the Companies Acts, that Director is not disqualified by his or her office from:
- 15.1.1 entering into any contract, agreement or arrangement with the Mutual;
 - 15.1.2 holding an office of profit under the Mutual;
 - 15.1.3 becoming or remaining a Director or employee of any corporation or entity in which the Mutual is in any way interested or which is in any way interested in the Mutual;
 - 15.1.4 attending and voting at any meeting of the Board in respect of any contract, agreement, arrangement, matter or thing in which he or she is interested, save as specified in Articles 15.2 and 15.3; or
 - 15.1.5 attending and voting at any meeting of the Board in respect of proposed amendments to the Rules or other matters which affect all Members equally.
- 15.2 A Director shall not be entitled to participate, unless permitted to do so by a unanimous decision of the other Directors attending the meeting, in any part of a meeting relating to, and shall not in any event be entitled to vote in respect of:
- 15.2.1 any matter where the Board will be required to exercise its discretion in connection with any claim made pursuant to the Rules by that Director or that Director's Affiliated Body; and/or
 - 15.2.2 any other matter arising under the Rules or Articles in respect of that Director or that Director's Affiliated Body.
- 15.3 A Director shall not be entitled to participate, unless permitted to do so by a unanimous decision of the other Directors attending the meeting, in any part of a meeting relating to, and shall not in any event be entitled to vote in respect of:
- 15.3.1 any matter where the Board will be required to exercise its discretion in connection with any claim made pursuant to the Rules by any Member with whom, in the opinion of the Board, the said Director is closely associated; and/or
 - 15.3.2 any other matter arising under the Rules or Articles in respect of any Member with whom, in the opinion of the Board, the said Director is closely associated.
- 15.4 Subject to Article 15.5, if a question arises at a meeting of the Board or a committee of Directors as to the right of a Director to participate in the meeting (or part of the meeting)

for discussion, voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the Chairman whose ruling in relation to any Director other than the Chairman is to be final and conclusive.

- 15.5 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the Chairman, the question is to be decided by a decision of the Board at that meeting, for which purpose the Chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.
- 15.6 A contract, agreement or arrangement entered into by or on behalf of the Mutual in which a Director is in any way interested is not for that reason void or voidable and, subject to the Director disclosing such an interest to the Board, the Director shall not be liable to account to the Mutual for any profits accruing to him or her from such contract, agreement or arrangement.

16 RECORDS OF DECISIONS TO BE KEPT

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

APPOINTMENT AND ELIGIBILITY OF DIRECTORS

17 THE BOARD OF DIRECTORS

- 17.1 The Board shall consist of a maximum of nine [9] Directors and a minimum of three [3] Directors.
- 17.2 At all times at least fifty percent [50%] of the members of the Board will have served in the Armed Forces for not less than five [5] years.

17.3 Each Director must be and must remain whilst holding office, a Member of the Mutual as defined in these Articles and the Rules, save that the Mutual may at any time elect or appoint to the Board a maximum of two [2] Independent Directors.

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

18 THE APPOINTMENT OF DIRECTORS

18.1 Subject to Article 17, any person who is willing to act as a Director or Independent Director, and is permitted by law to do so, may be appointed or re-elected as a Director by ordinary resolution at a General Meeting.

18.2 A nomination for the appointment of a Director other than a Director retiring under Article 20 or an Independent Director shall be in writing signed by a proposer, a seconder and the nominee, all of whom shall be Members or Member's Representatives. The nomination must be made to the Chairman in the first instance and be supported by not less than two [2] Directors (neither of whom shall be Independent Directors) who shall satisfy themselves that:

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

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

18.2.3 if applicable, is permitted by his or her employers to accept the appointment.

18.3 The written nomination under Article 18.2 shall be lodged with the Mutual not less than sixty [60] days before the General Meeting at which the nomination is to be considered.

18.4 A nomination for the appointment or re-election of an Independent Director must be made in writing by the Chairman and supported by not less than two [2] other Directors (neither of whom shall be Independent Directors) who shall satisfy themselves that the nominee:

18.4.1 is likely to be acceptable to any applicable regulatory body;

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

18.4.3 if applicable, is permitted by his or her employers to accept the appointment.

- 18.5 A nomination under Article 18.4 shall be notified to the Mutual not later than the date for sending notice of the General Meeting at which the nomination is to be considered.
- 18.6 A retiring Director who is not an Independent Director shall be eligible for re-election provided that, at the time of re-election, he is still eligible to be a Director in accordance with Articles 17.3 and 17.4.
- 18.7 An alphabetical list of the candidates' names shall be sent to Members with the notice of the relevant General Meeting.
- 18.8 Balloting lists shall be prepared containing the names of the candidates in alphabetical order.
- 18.9 At the General Meeting each Member shall be entitled to vote in person or by its Member's Voting Representative or by proxy for any such number of the candidates as does not exceed the number of vacancies.
- 18.10 If there is an insufficient number of candidates nominated, the Board may provide candidates to fill the vacancies, and:
- 18.10.1 the members of the Board shall satisfy themselves that a nominee:
- 18.10.1.1 is likely to be acceptable to any applicable regulatory body;
- 18.10.1.2 will make a valuable contribution to the Board and the Mutual; and
- 18.10.1.3 if applicable, is permitted by his or her employers to accept the appointment.
- 18.10.2 the nomination shall be lodged with the Mutual at least twenty one [21] days before the General Meeting at which the nomination is to be considered.
- 18.11 Subject to Article 17, the Board may, at any time and from time to time, appoint any person as a Director, either to fill a casual vacancy or as an addition to the Board.
- 18.12 Any Director appointed pursuant to Article 18.11 shall hold office only until the next Annual General Meeting but shall then stand for re-election.

19 TERMINATION OF DIRECTOR'S APPOINTMENT

- 19.1 A person ceases to be a Director as soon as:

- 19.1.1 that person ceases to be a Member of the Mutual; or
 - 19.1.2 that person ceases to be a Director by virtue of any provision of the Companies Acts or is prohibited from being a Director by law; or
 - 19.1.3 a bankruptcy order is made against that person; or
 - 19.1.4 a composition is made with that person's creditors generally in satisfaction of that person's debts; or
 - 19.1.5 a registered medical practitioner who is treating that person gives a written opinion to the Board stating that that person has become physically or mentally incapable of acting as a Director and may remain so for more than three months; or
 - 19.1.6 by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have; or
 - 19.1.7 written notification is received by the Mutual from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms; or
 - 19.1.8 that person has been absent from three [3] consecutive meetings of the Board (such absence not being with the agreement of or by arrangement with the Board), and, subject to Article 19.2, the Board agrees unanimously that his or her office should be vacated; or
 - 19.1.9 for so long as the Mutual is an authorised person or an appointed representative under the Financial Services and Markets Act 2000, the Financial Conduct Authority (or any successor body) revokes its approval of that person to hold the position of Director; or
 - 19.1.10 that person is removed from office pursuant to these Articles.
- 19.2 Any Director in respect of whom a vote is to be taken under Article 19.1.8 shall not be entitled to participate in such vote.
- 19.3 A proposal by the Mutual's Members to remove a Director or Independent Director from office, of which Special Notice has been given in accordance with the Companies Acts, may be passed by ordinary resolution.
- 19.4 A proposal by any Director to remove a Director or Independent Director from office, of which notice has been given in accordance with the Companies Acts, may be passed by ordinary resolution.

20 RETIREMENT OF DIRECTORS

- 20.1 At the third Annual General Meeting of the Mutual following the adoption of these Articles and every three [3] years thereafter, one third of the Directors who are subject to retirement by rotation or, if their number is not three [3] or a multiple of three [3], the number nearest to one-third, shall retire from office.
- 20.2 Subject the Directors to retire by rotation having served at least three [3] years in office, the Directors to retire by rotation shall be those who have been longest in office since their last election or re-election, but as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.
- 20.3 A retiring Director shall retain office until the conclusion of the meeting at which that Director retires.
- 20.4 A Director shall retire from office at the Annual General Meeting following his or her seventy-fifth [75th] birthday, and may thereafter offer himself for re-election annually.

21 DIRECTORS' SERVICES AND REMUNERATION

- 21.1 Directors may undertake any services for the Mutual that the Board decides.
- 21.2 The Directors are entitled to such remuneration as the Board determines:
- 21.2.1 for their services to the Mutual as Directors; and
 - 21.2.2 for any other service which they undertake for the Mutual.
- 21.3 Subject to the Articles, a Director's remuneration may:
- 21.3.1 take any form; and
 - 21.3.2 include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that Director.
- 21.4 Unless the Board decides otherwise, Directors' remuneration accrues from day to day.

- 21.5 Unless the Board decides otherwise, Directors are not accountable to the Mutual for any remuneration which they receive as Directors or other officers or employees of any other body corporate in which the Mutual is interested.

22 DIRECTORS' EXPENSES

- 22.1 The Mutual may pay any reasonable expenses which the Directors properly incur in connection with their attendance at:
- 22.1.1 meetings of the Board or committees of Directors;
 - 22.1.2 General Meetings of the Mutual; and
 - 22.1.3 otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Mutual.

PART 3

MEMBERS

BECOMING AND CEASING TO BE A MEMBER

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

- 23.1 No person or entity shall become a Member of the Mutual unless:
- 23.1.1 the applicant is a member of the Military Family; and
 - 23.1.2 the applicant has completed an application for Membership in a form approved by the Board; and
 - 23.1.3 the Board has, in its absolute discretion, approved the application and entered the name of the applicant on the Mutual's Register of Members.
- 23.2 The Board will not be obliged to give reasons if it refuses to admit any person or entity as a Member of the Mutual.
- 23.3 Membership of the Mutual is personal to the Member and is not transferable or assignable except with the written consent of the Mutual.

24 WITHDRAWAL FROM MEMBERSHIP

Subject to the Articles 25 and 26, a Member may withdraw from Membership of the Mutual by giving notice to the Mutual in writing. Subject to the provisions of the Rules and any applicable terms of the Members' Cover the withdrawal from Membership shall take effect on the date specified by the Member.

25 TERMINATION OF MEMBERSHIP

25.1 A Member's membership of the Mutual will terminate immediately if any of the following events occur, unless otherwise agreed in writing by the Board:

25.1.1 the dissolution of the Member (in the case of a Member that is not a natural person);

25.1.2 an Insolvency Practitioner, Receiver or the Official Receiver is appointed in respect of the Member;

25.1.3 the Member has been sent a final notice, in accordance with the Rules, in respect of any unpaid Contributions and the Member fails to pay by the date specified in the notice;

25.1.4 all Cover ceases and is not renewed in accordance with the Rules;

25.1.5 membership comes to an end as set out in the Member's Member Documents;
or

25.1.6 the death of the Member.

26 MONIES DUE ON TERMINATION OF MEMBERSHIP

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

ORGANISATION OF GENERAL MEETINGS

27 FREQUENCY OF GENERAL MEETINGS

27.1 General Meetings of the Mutual will take place in accordance with the requirements of the Articles.

27.2 The Mutual will hold at least one General Meeting in any twelve [12] month period commencing from the date upon which the Mutual begins to offer Cover to Members.

27.3 The General Meeting held in accordance with Article 27.2 will be referred to as the Annual General Meeting but will remain in every other respect subject to the requirements of these Articles for General Meetings.

28 CALLING A GENERAL MEETING

28.1 Subject to the provisions of Article 40, a General Meeting may be called:

28.1.1 by any person acting on the authority of a decision of the Board; or

28.1.2 as otherwise provided for in the Companies Acts.

28.2 Notice of all General Meetings shall be given to the Managers.

28.3 Subject to Article 28.2, the notice required of a General Meeting is twenty [20] clear working days and notice must be given as prescribed by the Companies Acts.

29 ATTENDANCE AND SPEAKING AT GENERAL MEETINGS

29.1 A person is able to exercise the right to speak at a General Meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

29.2 A person is able to exercise the right to vote at a General Meeting when:

29.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and

29.2.2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

29.3 Subject to Articles 29.4 and 29.5, the Board may make whatever arrangements it considers appropriate to enable those attending a General Meeting to exercise their rights to speak or vote at it.

29.4 All Members, Member's Voting Representatives and proxies proposing to attend a General Meeting may be required to prove their identity in such form and manner as the Board may decide.

- 29.5 Any Member, Member's Voting Representative or proxy who is unable to provide proof of identity in the form and manner required by the Board will not be entitled to speak at or to vote on any resolution at a General Meeting.

30 QUORUM FOR GENERAL MEETINGS

- 30.1 No business other than the appointment of the chairman of the meeting is to be transacted at a General Meeting if the persons attending it do not constitute a quorum of Members.
- 30.2 Three Members shall constitute a quorum of Members.
- 30.3 If a quorum is not present within half an hour from the time appointed for a meeting:
- 30.3.1 where the meeting was convened upon the requisition of Members, the meeting shall be dissolved; or
- 30.3.2 in any other case, the meeting stands adjourned to such other day and place as the Board may determine.
- 30.4 If at the adjourned meeting a quorum is not present within half an hour from the time fixed for the meeting then, subject to any requirement of law, and in the sole discretion of the chairman of the meeting, the Members present shall be a quorum.

31 CHAIRING GENERAL MEETINGS

- 31.1 The Chairman shall chair General Meetings if present and willing to do so.
- 31.2 If the Chairman is not present within fifteen [15] minutes of the time at which a meeting was due to start, or is not willing to chair the meeting, the Directors present must appoint a Director, or if no Directors are present, the meeting, must appoint a Member, to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.
- 31.3 Any appointment by the meeting under Article 31.2 shall be made on a majority vote of the persons present at the meeting who are entitled to vote on any resolution.
- 31.4 The person chairing a meeting in accordance with this Article is referred to as "the chairman of the meeting".

32 ATTENDANCE AND SPEAKING BY DIRECTORS, INDEPENDENT DIRECTORS AND THE MANAGERS

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

33 ADJOURNMENT

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

33.1.1 the meeting consents to an adjournment; or

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

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

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

33.3.1 either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Board; and

33.3.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

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

33.4.1 to the same persons to whom notice of the Mutual's General Meetings is required to be given; and

33.4.2 containing the same information which such notice is required to contain.

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

VOTING AT GENERAL MEETINGS

34 VOTING: GENERAL

- 34.1 Each Member may only be represented at a General Meeting in person or by proxy or, in the case of a Member which is not a natural person, the Member's Voting Representative.
- 34.2 A resolution put to the vote of a General Meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the Articles.
- 34.3 Each Member shall have one vote, both on a poll and a show of hands.
- 34.4 A Member's Voting Representative or proxy is entitled to join in demanding a poll.

35 POLL VOTES

- 35.1 A poll on a resolution may be demanded:
- 35.1.1 in advance of the General Meeting where it is to be put to the vote; or
 - 35.1.2 at a General Meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- 35.2 A poll may be demanded by:
- 35.2.1 the chairman of the meeting;
 - 35.2.2 any Director;
 - 35.2.3 five or more persons having the right to vote on the resolution; or
 - 35.2.4 persons representing not less than one tenth of the total voting rights of all the Members present at the General Meeting in person or by proxy having the right to vote on the resolution.
- 35.3 A demand for a poll may be withdrawn if;
- 35.3.1 the poll has not yet been taken; and

- 35.3.2 the chairman of the meeting consents to the withdrawal.
- 35.4 Polls must be taken immediately and in such manner as the chairman of the meeting directs.
- 35.5 A declaration by the chairman of the meeting that a resolution has on a show of hands been carried or carried unanimously or by a particular majority, and an entry to that effect in the minutes of the meeting, is conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against the resolution.
- 35.6 A poll demanded on:
- 35.6.1 the election of a chairman of the meeting; or
- 35.6.2 on a question of adjournment
- shall be taken forthwith.
- 35.7 Any other poll shall be taken in such manner and either at once or after an interval or adjournment or otherwise as the chairman of the meeting directs.
- 35.8 The result of the poll shall be the resolution of the meeting at which the poll was demanded.
- 35.9 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded has, in addition to his or her deliberative vote (if any), a casting vote.

36 PROXY NOTICES

- 36.1 A proxy may only validly be appointed by a notice in writing (a "proxy notice") which:
- 36.1.1 states the name and address of the Member appointing the proxy;
- 36.1.2 identifies the person appointed to be that Member's proxy and the General Meeting in relation to which that person is appointed;
- 36.1.3 is signed by or on behalf of the Member appointing the proxy, or is authenticated in such manner as the Board may determine;
- 36.1.4 is delivered to the Mutual in accordance with the Articles and any instructions contained in the notice of the General Meeting to which the proxy relates; and

- 36.1.5 if a proxy notice is not executed by the person appointing the proxy, it is accompanied by written evidence of the authority of the person who executed it to execute it on the appointer's behalf.
- 36.2 The Mutual may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 36.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- 36.4 Unless a proxy notice indicates otherwise, it must be treated as:
- 36.4.1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and
 - 36.4.2 appointing that person as a proxy in relation to any adjournment of the General Meeting to which it relates as well as the meeting itself.
- 36.5 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a General Meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Mutual by or on behalf of that person.

37 REVOKING PROXY NOTICES

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

38 AMENDMENTS TO RESOLUTIONS

- 38.1 An ordinary resolution to be proposed at a General Meeting may be amended by ordinary resolution if:
- 38.1.1 notice of the proposed amendment is given to the Mutual in writing by a person entitled to vote at the General Meeting at which it is to be proposed not less

than forty eight [48] hours before the meeting is to take place (or such later time as the chairman of the meeting may determine); and

38.1.2 the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.

38.2 A special resolution to be proposed at a General Meeting may be amended by ordinary resolution, if:

38.2.1 the chairman of the meeting proposes the amendment at the General Meeting at which the resolution is to be propose; and

38.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

38.3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

39 WITHDRAWAL OF RESOLUTIONS

39.1 Subject to Article 39.2, a resolution to be put to the General Meeting may be withdrawn at the General Meeting with the consent of a simple majority of the Members voting at the meeting in person, by proxy or by Member's Voting Representative.

39.2 A resolution proposed by a Member may be withdrawn by the Member on giving written notice to the Mutual at any time before the vote on the resolution takes place.

PART 4

PROPOSAL TO DE-MUTUALISE

40 PROPOSAL TO DE-MUTUALISE

40.1 Notwithstanding any other provisions of these Articles, a proposal to de-mutualise the Mutual, or any proposal which would, if passed, have the effect of de-mutualising the Mutual, shall not be made except upon the requisition of all the Members having the right to attend and vote at General Meetings.

- 40.2 Any such proposal shall not be made at any time before the expiry of a period of ten [10] years from the date upon which the Mutual commences offering Protection to Members.
- 40.3 Upon receipt of such written requisition, the Chairman shall call a meeting of the Members (“the meeting”) to take place not less than ninety [90] days after the date the written requisition was received by the Mutual.
- 40.4 Any such proposal shall be decided upon by a poll of all Members having the right to attend and vote at a General Meeting.
- 40.5 The chairman of the meeting shall demand the poll not later than ninety [90] minutes after the commencement of the meeting.
- 40.6 Any such proposal shall only be passed upon a unanimous vote of all Members having the right to attend and vote at a General Meeting.
- 40.7 The provisions of these Articles concerning the organisation of General Meetings and the attendance and voting of Members at General Meetings shall apply to the meeting except as stated otherwise in this Article.
- 40.8 In the event that a proposal to de-mutualise is passed any windfall which would ordinarily vest in the Members shall instead be paid to a charity determined by the Chairman.
- 40.9 This Article can only be amended or repealed with the unanimous agreement of all Members of the Mutual or in accordance with the Companies Act.

PART 5

ADMINISTRATIVE ARRANGEMENTS

GENERAL ADMINISTRATION

41 MEANS OF COMMUNICATION TO BE USED

- 41.1 Subject to the Articles, anything sent or supplied by or to the Mutual under the Articles or the Rules or the Member Documents and, where applicable, the Cover Wording of a Member may be sent or supplied in any way permitted by the Companies Acts.

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

42 DEEMED DELIVERY OF NOTICES, DOCUMENTS AND INFORMATION

- 42.1 A notice, document or information shall be deemed to be served:
- 42.1.1 at the expiration of 48 hours after the envelope containing it was posted;
 - 42.1.2 in the case of any notice, document or information sent or supplied by the Mutual in electronic form, on the day upon which it was sent; or
 - 42.1.3 if made available on the Mutual's website:
 - 42.1.3.1 on the date that notification of publication on the website is deemed to be served in accordance with Article 42.2.1 or 42.1.3; or
 - 42.1.3.2 if later, the date the notice, documentation or information first appears on the website.

43 MUTUAL SEALS

- 43.1 Any common seal may only be used on the authority of the Board.
- 43.2 The Board may decide by what means and in what form any common seal is to be used.
- 43.3 Unless otherwise decided by the Board, if the Mutual has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.
- 43.4 For the purposes of this Article, an authorised person is:

- 43.4.1 any Director of the Mutual;
- 43.4.2 the Mutual's Secretary (if any); or
- 43.4.3 any person authorised by the Board for the purpose of signing documents to which the common seal is applied.

44 ACCOUNTS AND AUDIT

- 44.1 The Board shall:
 - 44.1.1 cause proper accounting and other records to be kept;
 - 44.1.2 cause the Mutual's annual accounts to be independently audited; and
 - 44.1.3 circulate copies of the Mutual's annual accounts and reports for each financial year in accordance with and as required to do so by the Companies Acts.

45 NO RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS

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

46 APPOINTMENT OF A SECRETARY

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

INDEMNITY AND INSURANCE

47 INDEMNITY: DIRECTORS AND SECRETARY

- 47.1 Subject to Article 47.2, a relevant Director or Secretary of the Mutual may be indemnified out of the Mutual's assets against:

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

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

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

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

48 INSURANCE: DIRECTORS AND SECRETARY

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

48.2 In this Article:

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

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

49 INDEMNITY: THE MANAGERS

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

PART 6
THE REGISTER OF MEMBERS

50 INSPECTION OF THE REGISTER OF MEMBERS

The Board will exercise to the fullest extent the right of the Mutual to protect the confidentiality of the information contained in the Mutual's Register of Members.

PART 7
WINDING UP

51 WINDING UP

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

51.1.1 The Liquidation Proportion of each eligible Member shall be a fraction (a) the numerator of which is the sum obtained by aggregating the amount of the contributions calculated in accordance with the Rules paid by such Member for the Financial Year (as defined in the Rules) in which the winding up is commenced or if earlier the last Financial Year of the Mutual in respect of which the Mutual issued any Certificates of Membership or Member Documents under the Rules ('the Last Financial Year') and (to the extent applicable) for the four [4] preceding Financial Years and (b) the denominator of which is the sum obtained by aggregating the sum obtained pursuant to (a) hereof in respect of all eligible Members (such fraction being expressed as a percentage to two [2] decimal places).

51.2 A Member shall be an eligible Member and entitled to participate in a distribution to be made pursuant to this Article if he was a Member of the Mutual during the Last Financial Year of the Mutual or (to the extent applicable) at any time during the four [4] preceding Financial Years.
