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Associate Holloway Policy

The provisions of this policy are taken directly from Schedule 2 to the Society's Rules.

In the unlikely event of any discrepancy between this document and Schedule 2, the provisions of Schedule 2 will be applied.

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Schedule 2 (Associate Holloway Policy)

Article 1 Associate Membership

- (I) An Income Member or Income Plus Member shall become an Associate Member under this schedule if their election for such under Schedule 1 Article 6 or Schedule 3 (Holloway Income Protection Policy) Article 6 is accepted by the Board.
- (II) The annual Contribution of each Associate Member will fall due on the 1st January each Year and will be determined in accordance with the Rates for this schedule. At the discretion of the Board, an Associate Member may apply in the form prescribed from time-to-time to decrease or increase their Shares.
- (III) The Rates for this schedule will be determined by the Board from time-to-time. The Rates can be amended by the Board at its discretion.

Article 2 Arrears in Contributions

- (I) An Associate Member who is more than four months in arrears with their Contributions shall be liable to expulsion from the Society, but if they are unable to pay their Contributions as a consequence of distressed circumstances they may apply to the Secretary in the manner prescribed by the Board for an extension; and the Secretary shall have the power, upon receiving satisfactory evidence of the reason for their inability to pay, to grant such an extension or agree a payment plan. Failure to comply with the extension granted, or the payment plan agreed, will make him liable to expulsion in the same manner under this paragraph as if no extension or payment plan had been agreed.
- (II) An Associate Member expelled from the Society under this Article will be treated as if they had voluntarily retired or resigned from Associate Membership under Article 7. The Secretary is authorised to deduct and retain from the final balance of the Associate Member's ICA, calculated in accordance with Article 7 (V), any arrears of Contributions.

Article 3 Distressed Associate Members

Any Associate Member who is unable to pay their Contributions in consequence of distressed circumstances may apply in writing to the Secretary to have their Contribution paid from their ICA with the Society; and the Secretary shall have the discretion, upon receipt of what they deem to be satisfactory evidence, to allow such Contribution to be paid as aforesaid, provided always that after such remission the amount standing to their credit is not reduced below the sum apportioned to him from the latest two years' dividends. The Secretary's view of what constitutes distressed circumstances and satisfactory evidence shall be final.

Article 4 Income Membership and Income Plus Membership

An Associate Member at any time may, with the consent of the Board, apply to discontinue their Associate Membership under Schedule 2 (Associate Holloway Policy) and again become an Income Member or Income Plus Member in the same manner as an Applicant under Schedule 1 (Holloway Income Protection Policy) Article 1 or Schedule 3 (Holloway Income Protection Plus Policy) Article 1 respectively.

Article 5 Division of Surplus

- (I) At every 31st December, the Board shall ascertain and set aside the sum of all Contributions received into the Revenue Account from Income Members under Schedule 1 (Holloway Income Protection Policy), Associate Members under Schedule 2 (Associate Holloway Policy) and Income Plus Members under Schedule 3 (Holloway Income Protection Plus Policy) during that Year, together with such proportion of interest yielded on the invested funds of the Society during that Year as the Board may deem equitable, less deductions during that Year for:
 - (a) All Income Benefit claims made by Income Members under Schedule 1 (Holloway Income Protection Policy) and Income Plus Members under Schedule 3 (Holloway Income Protection Plus Policy);
 - (b) The costs of management of the Society as met from the Revenue Account; and
 - (c) Any sum which the Board may consider prudent to transfer to a Reserve Fund.
- (II) The amount set aside under paragraph (I) of this Article (excluding any interest yielded on the invested funds of the Society that are to be apportioned in accordance with paragraph (IV) below) shall be allocated as a dividend to the credit of the ICA of each Income Member, Income Plus Member or Associate Member in the books of the Society in proportion to the number of Shares held by him during that Year ended 31st December.
- (III) An Income Member, Income Plus Member or Associate Member paying less than a full year's Contributions to the funds of the Society, or who varied their holding of Shares during that Year ended 31st December, shall be entitled to a part only of the dividend under paragraph (II) of this Article for the days in which the appropriate Contribution has been paid.
- (IV) Interest shall be calculated on the balance standing to an Income Member's, Income Plus Member's or Associate Member's credit in their ICA at the commencement of that Year. This interest shall be adjusted as appropriate in proportion to the number of days before and after any withdrawals or deductions made during the year from an Income Member's, Income Plus Member's or Associate Member's ICA. Interest shall be apportioned at such a rate as the Board shall decide at its discretion and shall be placed to the credit of each Income Member's, Income Plus Member's and Associate Member's ICA.
- (V) The division of surplus funds and interest calculations directed under this Article shall be made only provisionally and for the purpose of ascertaining the share in the surplus funds of the Society which an Income Member, Income Plus Member or Associate Member would be entitled to have paid to them upon them ceasing to belong to the Society in accordance with the relevant provisions of Schedule 1 (Holloway Income Protection Policy), Schedule 2 (Associate Holloway Policy) or Schedule 3 (Holloway Income Protection Plus Policy) respectively.
- (VI) Each Income Member, Income Plus Member and Associate Member will be entitled to an annual bonus statement confirming the interest and dividend declared for the 31st December under this Article by no later than the 30th June of the following Year.

Article 6 Loyalty Bonus

- (I) The Board may, if in its opinion the relevant funds of the Society so permit, declare a Loyalty Bonus on 1st May each year, or on such other date or dates as it may select which will apply until the date of its next Loyalty Bonus declaration. A Loyalty Bonus shall be an amount calculated as a percentage addition to the amounts withdrawn by retiring Associate Members under Article 7 (I)(a).

- (II) When determining the percentage level of a Loyalty Bonus the Board shall give consideration to the relationship of the balance of the Reserve Fund at the previous 31st December to the provisional total balances of all the ICAs of Income Members, Income Plus Members and Associate Members as at the same date. For the purpose of this comparison the Board shall make such adjustments to the balance of the Reserve Fund as it thinks equitable, particularly with regard to the valuation of the Society's investments at that time.
- (III) The Board at its discretion may declare more than one Loyalty Bonus percentage under paragraph (I) of this Article based on objective criteria and the eligibility of an Income Member, an Income Plus Member or an Associate Member for a particular percentage level declared will be determined by that same criteria.

Article 7 Termination of Associate Membership and Withdrawals of Capital

- (I) (a) From their sixtieth birthday an Associate Member may terminate their Policy and cease to Contribute to the Society. He shall thereupon be entitled to receive the whole amount then standing to the credit of their ICA, calculated in accordance with paragraph (V) of this Article, subject however to such deduction (if any) as the Board may decide in respect of actual or anticipated losses on the realisation of investments not fully covered by any Reserve Fund set up for the purpose of meeting such losses.

(b) Upon the death of an Associate Member at any age, their Policy under this schedule will terminate from the date of their death in the same manner as if they retired under paragraph (I)(a) of this Article, save that payment of the final amount due shall be subject to the terms of paragraph (VII) of this Article.
- (II) If any Associate Member is forced to retire from their occupation or occupations on ill health grounds before attaining their sixtieth birthday or Policy Retirement Date, they may with the consent of the Board, be permitted to retire under paragraph (I)(a) of this Article. To gain the consent of the Board the Associate Member must produce reasonable evidence that they have ceased to be engaged in the work they have previously undertaken, is incapable of engaging in that kind of work by reason of ill health, and is likely to remain so incapable.
- (III) In the event of any Associate Member wishing to terminate their Policy before attaining the age of sixty or their Policy Retirement Date, whichever is sooner, at the Board's discretion they shall give thirty days' notice to the Secretary in the form prescribed from time-to-time. If the Associate Member resigns after less than two years of Membership from the date their Policy commenced they shall forfeit any funds accumulated in their ICA and any surplus Contributions made. Otherwise they will be entitled to the amount standing to the credit of their ICA calculated in accordance with paragraph (V) of this Article, subject to the deduction of the last two Years of dividends credited to their ICA and such deduction (if any) as the Board may decide in respect of actual or anticipated losses on the realisation of investments not fully covered by any Reserve Fund set up for the purpose of meeting such losses.
- (IV) Any Associate Member may once a Year apply to the Secretary in the manner prescribed from time-to-time for a partial withdrawal from the funds provisionally allocated to their ICA. If the Associate Member is sixty or older on the date of their request, they may specify the amount they wish to withdraw providing they do not withdraw all of the funds. If they have not yet reached their sixtieth birthday on the date of their request, they must apply under one or more of the circumstances listed below. Unless otherwise determined at the discretion of the Board, a withdrawal request from an Associate Member under this paragraph can be for a maximum of five hundred pounds at any one time, subject always to the balance of their ICA, less the cumulative value of the last two dividends to their ICA substantiating their request.

- (a) Medical treatment: to meet exceptional expenditure incurred as a result of an operation or special treatment to an Associate Member, their spouse or dependent child. Satisfactory medical evidence of the necessity for such operation or special treatment must be submitted to, and be approved by, the Secretary.
 - (b) Necessitous circumstances: to alleviate the financial situation of an Associate Member finding himself in necessitous circumstances and in need of urgent funds. Satisfactory evidence of the necessity and full details of the circumstances must be submitted to, and be approved by, the Secretary.
 - (c) Death of spouse or relative: to meet the funeral or other costs arising upon the death of an Associate Member's spouse, child, adopted child, stepchild, father, mother, brother, sister, nephew, niece or orphan ward. A certificate of death (and a marriage certificate or evidence of adoption when applicable) must be produced to, and be approved by, the Secretary before the sum can be withdrawn.
- (V) Upon termination of Associate Membership in accordance with this Article, subject to any forfeiture or adjustment conditions that may be applicable under this schedule, there shall be paid the following:
- (a) The balance of the Associate Member's ICA as at 31st December of the Penultimate Year, less any withdrawals from the ICA made since that time;
 - (b) Interest calculated on the total of the balance under sub-paragraph (a), less a deduction calculated for the appropriate number of days for any withdrawals made since the 31st December of the Penultimate Year, plus a dividend in proportion to the Shares the Associate Member Contributed towards since the 31st December of the Penultimate Year. If an annual bonus declaration has not been made under Schedule 1 Article 10 for the 31st December of the Penultimate Year at the time of the retirement or resignation, a declaration will be made in accordance with Article 5 at the interest and dividend levels declared for the Year prior to the Penultimate Year, and the interim interest and dividend calculated under this sub-paragraph will also be made on the interest and dividend levels declared for Year before the Penultimate Year; and
 - (c) If an Associate Member qualifies for retirement in accordance with paragraph (I)(a), then a Loyalty Bonus will be applied in accordance with Article 6 on the cumulative amount of sub-paragraphs (a) and (b) of this paragraph.
- (VI) Prohibition of charges: an Associate Member may not (other than to the Society) assign, mortgage, charge or otherwise dispose of their interest in their ICA or any part thereof. If an Associate Member shall, or attempts to, assign, mortgage or charge their ICA or any part thereof; or if they become bankrupt or suffers anything whereby their ICA or any part thereof would, if belonging to him absolutely, be liable by operation or process of law to become vested in or payable to some other person; their ICA shall be forfeited, and the funds provisionally apportioned to that ICA may be applied by the Society for the benefit of any relative or dependant of the Associate Member, or be transferred to the Reserve Fund or general funds of the Society, as the Board may decide at its discretion, subject to any abatement in respect of losses on the realisation of investments not fully covered by any Reserve Fund set up for the purpose of meeting such losses.
- (VII) Any sum due from the Society on the death of an Associate Member in accordance with paragraph (I)(a) of this Article, less such amount as may be due under a valid nomination made under Article 8, shall be due to the person entitled once all proper legal requirements have been duly complied with. No money shall be paid by the Society (except as otherwise provided by legislation) upon the death of an Associate Member until the Secretary is in receipt of an official certificate of death, and then receives either the Grant of Probate relating to their estate, or letters of administration to their estate, or of a certificate of confirmation to their estate.

(VIII) In the event an Associate Member has their membership of the Society terminated under Rule 8 of the Society's Rules, any Policy they hold under this schedule will be treated as a voluntary retirement or resignation under this Article unless the Board determines that the circumstances in which Rule 8 has been applied make the relevant provisions of Article 2, Article 9 or Schedule 1 Article 7 the most suitable to ensure the Society's membership is not financially prejudiced by the adverse or irresponsible behaviour of the Associate Member.

Article 8 Nomination of persons to receive monies payable on death of Associate Member

- (I) Any Associate Member who has attained the age of sixteen may nominate a person or persons to whom the money payable by the Society on their death, or any part of the money so payable as the Associate Member may specify, shall be paid following their death. The total amount which may be so nominated shall be limited to such sum as may be permitted by legislation.
- (II) A nomination, variation or revocation shall be in the form prescribed by the Secretary from time-to-time.
- (III) The person or persons so nominated must not at the date of the nomination be an officer or an employee of the Society, unless that officer or employee is the husband, wife, child, father, mother, brother, sister, nephew or niece of the Associate Member.
- (IV) A nomination so made may be revoked or varied by a subsequent nomination in accordance with paragraph (II) of this Article, but a nomination will not be revoked by a subsequent will. A nomination will automatically be revoked if a nominee predeceases the Associate Member.
- (V) The marriage or divorce of an Associate Member shall operate as a revocation of any nomination previously made by him.
- (VI) The Society shall keep a record of every such nomination, revocation or variation.
- (VII) On receiving satisfactory proof of the death of an Associate Member, the Society shall pay the amount due to the duly appointed nominees under this Article. Receipt by the persons so nominated shall be a complete discharge to the Society. The Society shall not be concerned with the application of the monies paid.

Article 9 Misrepresentations and Non-disclosure

- (I) An Associate Member shall be under a duty to take reasonable care, before and during their time as an Associate Member, not to fail to disclose or make any misrepresentations to the Society in response to a request for information.
- (II) If an Associate Member is found to have failed in their duty under paragraph (I) of this Article, at the Society's discretion:
 - (a) Their Policy may be treated as either never having started, or they may be deemed to have retired or resigned in accordance with Article 7;
 - (b) They may be required to agree to Special Conditions as a condition of their Policy not being brought to an end under sub-paragraph (a).
- (III) If an Associate Member receives any benefits as a result of a breach of paragraph (I) of this Article they can be ordered to repay such benefits to the Society. Unless an alternative repayment arrangement is agreed with the Board, the Associate Member must repay such benefits within 8 Weeks of the Society's request.

- (IV) If the Associate Member fails to repay benefits in accordance with paragraph (III) of this Article, they will make themselves liable to Schedule 1 Article 7 (VI).

Article 10 General Administration Provisions and Definitions

- (I) Unless determined otherwise by the Board at its discretion, an Associate Members Policy is subject to the Law of England and the exclusive jurisdiction of the English Legal System; all communications in connection with their Policy will be in English; and all Contributions, and any benefits payable under their Policy, are payable in English Sterling (£).
- (II) In this schedule, unless the context requires otherwise, references to one gender shall include the other gender and references to the singular shall include the plural and vice versa.
- (III) Unless the context requires otherwise, words and expressions which are defined by legislation or in the Appropriate Regulator Handbooks, shall have the same meanings in this schedule.
- (IV) Headings in this schedule are for convenience only and shall not affect its interpretation.
- (V) In the event of any discrepancy between the Society's Rules and an Associate Members Policy, the Society's Rules will be applied. In the event any part of their Policy is found to be invalid, the rest of the Policy will continue to apply.
- (VI) The Board may make alterations to this schedule in accordance with Rule 4.2 of the Society's Rules, except that an adjustment made only to this schedule will not require the approval of the Membership at the next Annual General Meeting following the change.
- (VII) In the event an Associate Member is dissatisfied or finds himself in dispute with the Society, the provisions of Rule 12 and Rule 13 of the Society's Rules will apply.
- (VIII) Rule 2 of the Society's Rules will apply with regards to the terms of any notices under this schedule, unless a provision under this schedule prescribes, or gives the Board or the Secretary the authority to prescribe, a different procedure for that purpose.
- (IX) If an Associate Member changes their country of residence from the one stated in the Register of Members, they must inform the Secretary at the earliest opportunity. At its discretion, the Board can require such an Associate Member in these circumstances to retire from Associate Membership under Article 7 (I)(a).
- (X) In this schedule the following words and expressions have the following meanings:

Applicant	means an individual who applies for Income Membership in accordance with Schedule 1 (Holloway Income Protection Policy) Article 1 or Income Plus Membership under Schedule 3 (Holloway Income Protection Plus Policy) Article 1.
Associate Member	an individual who becomes a member of the Society under Rule 7 of the Society's Rules in accordance with Schedule 1 (Income Protection Policy) Article 6, or Schedule 3 (Income Protection Plus Policy) Article 6.
Base Rate	means the official dealing rate as defined in Article 2 of the Late Payment of Commercial Debts (Rate of Interest) Order 1998.
Board	means the Board of Directors of the Society.
Contributions	means the contributions or premiums payable by a Associate Member in accordance with this schedule

ICA	means Individual Capital Account, the Policy mechanism into which funds provisionally apportioned to an Associate Member in accordance with Article 5 are accumulated.
Income Benefits	the sum payable to an Income Member if they are Declared on the Sick Fund in accordance with Schedule 1 Article 7.
Income Member	an individual who becomes a member of the Society under Rule 7 of the Society's Rules in accordance with Schedule 1 (Holloway Income Protection Policy).
Income Plus Member	an individual who becomes a member of the Society under Rule 7 of the Society's Rules in accordance with Schedule 3 (Holloway Income Protection Plus Policy).
Penultimate Year	means the calendar year preceding that of the Year concerned.
Policy	means the terms contained in this schedule and any declarations made as part of any application for Associate Membership.
Rates	the pricing structure and methodology determined by the Board at its discretion for the purpose of calculating the annual Contributions for Associate Members from each 1st January. Unless the Board determines otherwise, an Associate Member's annual Contributions will be calculated based on their holding of Shares.
Register of Members	means the membership register the Society is required to maintain in accordance with Rule 9 of the Society's Rules.
Reserve Fund	means any account or other allocation of the Society's funds established by the Board at its discretion to make funds available for a particular purpose.
Resignation	describes the circumstances of an Associate Member who terminates their Policy under Article 7 (III).
Retirement	describes the circumstances of an Associate Member who terminates their Policy in accordance with Article 7 (I)(a).
Revenue Account	means an account established by the Society for the purpose of receiving all revenue to the Society under Rule 32 of the Society's Rules.
Rules	means the Rules of the Society
Secretary	means the Secretary of the Society appointed under Rule 21.1 of the Society's Rules.
Shares	Shares will be the mechanism the Board will use when declaring dividends to the ICA's of Associate Members under Article 5.
Society	means Pharmaceutical and General Provident Society Limited.
Year	means the calendar year.

Article 11 Effective Dates and Previous Policies

- (I) This schedule will apply to all Associate Members with effect from the 1st February 2018 and replaces any previous policy schedules or terms for Associate Members.

Secretary of the Society.....

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PG Mutual is the trading name of Pharmaceutical and General Provident Society Ltd.

Registered office: 11 Parkway, Porters Wood, St Albans, Hertfordshire AL3 6PA.

Incorporated in the United Kingdom under the Friendly Societies Act 1992.

Registered Number 462F. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority,

Firm Reference Number 110023.

January 2018 ASSOCIATE HOLLOWAY POLICY

