

## SCHEDULES

### SCHEDULE 11

Section 27.

#### COMMITTEE OF MANAGEMENT: SUPPLEMENTARY

#### PART I

#### ELIGIBILITY AND RETIREMENT OF COMMITTEE MEMBERS

##### *Preliminary*

- 1 (1) This Part of this Schedule applies in relation to members of the committee of management of a friendly society (“the society”); and in this Schedule—
- “the committee” means the committee of management of the society;
  - “the compulsory retirement age”, where the rules of the society make the provision authorised by paragraph 3(1) below, means the age prescribed for that purpose in its rules;
  - “the normal retirement age” means 70 years or such lesser age as the rules of the society may prescribe as the normal retirement age for members of its committee.
- (2) For the purposes of this Act the date of a person’s election to office as a member of the committee, where the rules of the society provide for election by postal ballot, is the date of the meeting at which the declaration of the result of the ballot is made.

##### *Eligibility to be elected committee member*

- 2 Subject to paragraph 3 below, paragraph 7 of Schedule 3 to this Act and to the rules of the society, any person is eligible to be elected as a member of the committee.
- 3 (1) The rules of the society may require the members of the committee to retire at a prescribed age without eligibility for re-election or reappointment; and, if the age so prescribed is no greater than the age which is the normal retirement age for members of the committee, sub-paragraph (3) below shall have no application to the society.
- (2) If the rules of the society make the provision authorised by sub-paragraph (1) above, a person who has attained the age so prescribed shall not be eligible to be elected as a member of the committee.
- (3) Except in the case mentioned in sub-paragraph (1) above, if a person has attained the normal retirement age for the society, he shall not be eligible to be elected as a member of the committee unless—
- (a) he has been approved as eligible to be so elected by resolution of the committee; and
  - (b) his age and the reasons for the committee’s approval of his eligibility have been notified to every person entitled to vote at the election.

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- (4) If a friendly society, in a case where its committee has approved as eligible for election a person who has attained the normal retirement age, fails to notify every person entitled to vote at the election, the society shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 4 on the standard scale; but no such failure shall invalidate the election.

*Eligibility to be co-opted committee member*

- 4 No person may be co-opted as a member of the committee who has attained the normal retirement age or the compulsory retirement age (where that age is less than the normal retirement age).

*Notice to society of age of committee member*

- 5 (1) A person who holds office as, or is to his knowledge nominated for election or proposed for co-option to the committee as, a member of the committee shall, not later than 28 days before he attains the normal retirement age or, as the case may be, the compulsory retirement age for members of the committee, give the society notice of the date on which he will attain that age.
- (2) A person who fails to give to a friendly society a notice required, in relation to that society, by sub-paragraph (1) above shall be guilty of an offence and liable on summary conviction—
- (a) to a fine not exceeding level 3 on the standard scale; and
  - (b) in the case of a continuing offence, to an additional fine not exceeding one-tenth of that level for every week during which the offence continues.

*Retirement of elected committee members*

- 6 (1) A member of the committee shall retire from office—
- (a) in any case not provided for by paragraph (b) below, sub-paragraph (2) below or rules under sub-paragraph (3) below, at the fifth annual general meeting of the society following the date of his election; and
  - (b) in a case where he had attained the normal retirement age at his election, at the next annual general meeting following that date.
- (2) A member of the committee attaining the normal retirement age or, as the case may be, the compulsory retirement age shall, subject to any provision of the rules for earlier retirement, retire from office at the next annual general meeting of the society.
- (3) The rules of the society, if they provide for the retirement by rotation of members of its committee, may provide that a person elected to fill a vacant seat on the committee must retire at the annual general meeting at which, in accordance with the rules for retirement by rotation, the seat is to fall vacant.
- (4) Sub-paragraph (3) above applies to any vacancy arising when an elected member ceases to hold office for any reason before the annual general meeting at which (disregarding his age) the seat is due to fall vacant.

*Retirement of co-opted members*

- 7 (1) A person who is co-opted as a member of the committee shall cease to hold office at the end of the permitted period unless he is elected to office as a member of the committee within that period.
- (2) For the purposes of sub-paragraph (1) above “the permitted period”, with reference to the tenure of office of a co-opted member of the committee, is the period beginning with the date of his appointment and ending with the declaration of the next election of members of the committee conducted after his appointment or the expiration of the period of 16 months beginning with the date of his appointment, whichever first occurs.

**PART II**

DEALINGS WITH MEMBERS OF COMMITTEE OF MANAGEMENT

- 8 (1) Sections 312 (payment for loss of office etc) and 316(3) (supplementary) of the Companies Act 1985 shall have effect as if any reference in them to a director of a company included a reference to a member of the committee of management of a friendly society or a registered branch but with the substitution in section 316(3) of a reference to section 312 for the reference to sections 312 to 315.
- (2) Articles 320 (payment for loss of office etc) and 324(3) (supplementary) of the Companies (Northern Ireland) Order 1986 shall have effect as if any reference in them to a director of a company included a reference to a member of the committee of management of a friendly society or a registered branch but with the substitution in Article 324(3) of a reference to Article 320 for the reference to Articles 320 to 323.
- 9 (1) The following provisions of the Building Societies Act 1986—
- (a) section 62 (prohibition of tax-free payments to directors);
  - (b) section 63 (disclosure of interests in contracts and other transactions);
  - (c) section 64 (substantial property transactions);
  - (d) section 65 (restriction on loans etc);
  - (e) section 66 (sanctions);
  - (f) section 68 (records of loans etc) with Schedule 9;
  - (g) section 69 (disclosure and record of related businesses); and
  - (h) section 70 (interpretation),
- shall have effect as if any reference to a director of a building society included a reference to a member of the committee of management of a friendly society or registered branch.
- (2) The provisions mentioned in sub-paragraph (1) above shall have effect in their application to such members with the substitution—
- (a) of a reference to a friendly society or registered branch for every reference to a building society; and
  - (b) of a reference to the committee of management for every reference to the directors or board of directors.
- (3) Section 65 shall in addition have effect in its application to them—
- (a) with the omission of subsection (1)(c); and

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- (b) with the substitution in subsection (1)(d) of the words “loan or disposal of property” for the words “loan, disposal of property or payment”.
- (4) Section 69 shall in addition have effect with the substitution—
  - (a) of the following subsection for subsection (3)—
    - “(3) The following are relevant services—
      - (a) legal services;
      - (b) accountancy services;
      - (c) services of a broker in respect of the society’s insurance business;
      - (d) reinsurance of the society’s insurance business;
      - (e) any other services designated as relevant services.”; and
    - (b) of a reference to Part II of this Schedule for every reference in subsection (7) to Schedule 10 to the Building Societies Act.
- (6) The requisite particulars of the business of a business associate of a friendly society or registered branch are accordingly those set out in paragraphs 10 to 12 or 13 to 15 below.

*Requisite particulars where no adoption of this Part*

- 10 Where the business associate of the society or branch provides legal services the requisite particulars of its business in any financial year are the following—
  - (a) the aggregate amount of the fees paid to it by the society or branch concerned for the provision of legal services; and
  - (b) the aggregate amount of any fees paid to it by the society or branch in consideration of the provision of management services to the society or branch.
- 11 Where the business associate of the society or branch provides accountancy services the requisite particulars of its business in any financial year are the following—
  - (a) the aggregate amount of the fees paid to it by the society or branch for the provision of accountancy services; and
  - (b) the aggregate amount of any fees paid to it by the society or branch in consideration of the provision of management services to the society or branch.
- 12 Where the business associate of the society or branch arranges for the provision of insurance broking services, the requisite particulars of its business in any financial year are the following—
  - (a) the aggregate of the amounts paid to it by the society or branch by way of commission; and
  - (b) the aggregate amount of any fees paid to it by the society or branch in consideration of the provision of management services to the society or branch.

*Requisite particulars on adoption of this Part*

- 13 Where the business associate of the society or branch provides legal services, the requisite particulars of its business in any financial year are the following—

- (a) the prescribed band within which falls the estimated aggregate amount of the fees paid to it by the society or branch for the provision of legal services; and
  - (b) the prescribed band within which falls the estimated aggregate amount of any fees paid to it by the society or branch in consideration of the provision of management services to the society or branch.
- 14 Where the business associate of the society or branch provides accountancy services the requisite particulars of its business in any financial year are the following—
  - (a) the prescribed band within which falls the estimated aggregate amount of the fees paid to it by the society or branch for the provision of accountancy services; and
  - (b) the prescribed band within which falls the estimated aggregate amount of any fees paid to it by the society or branch in consideration of the provision of management services to the society or branch.
- 15 Where the business associate of the society or branch provides insurance broking services the requisite particulars of its business in any financial year are the following—
  - (a) the prescribed band within which falls the estimated aggregate of the amounts paid to it by or by way of commission; and
  - (b) the prescribed band within which falls the estimated aggregate amount of any fees paid to it by the society or branch in consideration of the provision of management services to the society or branch.

*Power to prescribe bands*

- 16 (1) The Commission, with the consent of the Treasury, may by order prescribe, for the purposes of the provisions of this Part of this Schedule, series of monetary amounts by reference to limits specified in the order; and, in any such provision, “prescribed band” means, in relation to monetary amounts, any series of monetary amounts so prescribed for the purposes of that provision.
- (2) The power conferred by this paragraph includes power to prescribe different series of monetary amounts for the purposes of different provisions.