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# Holloway Income Protection Plus Policy

The provisions of this policy are taken directly from Schedule 3 to the Society's Rules.

In the unlikely event of any discrepancy between this document and Schedule 3 the provisions of Schedule 3 will be applied.

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# Schedule 3 (Holloway Income Protection Plus Policy)

## Article 1 Income Plus Membership

- (I) (a) Any Eligible Person may apply to become an Income Plus Member under this schedule and, subject to the Board's approval of their application, Contribute towards Income Benefit insurance of 60p per week per Share and Unit granted. The minimum and maximum number of Shares and Units they may Contribute towards shall be determined by the Board from time-to-time. The Board can at its discretion specify different maxima for different occupational or insurance risk groups. At the Board's discretion, an Income Plus Member can have their Income Benefit based solely on Shares or Units.
- (b) The requirements as to the form of the application an Applicant must complete to become an Income Plus Member, and the due diligence process that they must complete before an offer of Income Plus Membership can be made will be determined by the Board at its discretion from time-to-time. The Board may refuse to accept an application for Income Plus Membership and will not be required to give a reason for any such refusal. At the Board's discretion, an Income Plus Member can hold more than one Policy under this schedule.
- (c) Annual Contributions for Income Plus Membership will fall due on the 1st January each Year and will be calculated in accordance with the Rates to this schedule. An Income Plus Member joining or leaving the Society shall pay in their initial and final Year such proportion of their current annual Contribution as is appropriate according to the number of days they are in Income Plus Membership in those Years. The Board at its discretion may specify the manner and the frequency of Contribution payments under this schedule from time-to-time.
- (d) Any arrears in Contributions outstanding at the end of the Year may, if the Board so decides, be deducted from the provisional balance standing to the credit of the Income Plus Member's Profit Share Account.
- (e) The Rates for this schedule that will be used to determine the annual Contributions for Income Plus Members will be determined by the Board from time-to-time. The Rates can be amended by the Board at its discretion.
- (f) When applying for Income Plus Membership, the Applicant must inform the Society whether they wishes to Contribute towards Standard Benefit or Premium Benefit, and whether or not they would like to select a Claim Deferment Period. If the Society is prepared to make an offer of Income Membership, but not on the Insurance Cover options selected by the Applicant, the Society can make its offer subject to the Applicant's acceptance of different Insurance Cover options.
- (g) When making an offer of Income Plus Membership to an Applicant in accordance with this schedule, the Board can make this offer conditional on the Applicant's agreement to Special Conditions.
- (h) An Income Plus Member shall not be entitled to any Income Benefit after they have reached their Policy Retirement Date.
- (II) (a) Each Income Plus Member will be issued with a Policy Schedule that will confirm their Shares and Units, their long-term income benefit level for the purpose of Article 9 (IV) of this schedule, their Claim Deferment Period, the commencement date of their Income Plus Membership, and their Policy Retirement Date.
- (b) If there is any subsequent change in an Income Plus Members Insurance Cover, an updated Policy Schedule will be issued to confirm their updated Insurance Cover. The commencement date of the changes will be confirmed in the new Policy Schedule.
- (c) If the standard definition of incapacity that would apply to an Income Plus Member in the event of a Declaration is not Own Occupation, then the definition that would apply must be stated in the Policy Schedule.

## Article 2 Increased Insurance Cover

- (I) Applications from an eligible Income Plus Member for an increase in their cumulative holding of Shares or Units, a change in the mix of Shares and Units that determine their Income Benefit, a shorter Claim Deferment Period, or to change from Standard Benefit to Premium Benefit, may be made at any time but acceptance will be at the Board's discretion.
- (II) The application, due diligence, offer and acceptance process under this Article will follow the same process provided for under Article 1 of this schedule unless the Board applies an alternative process.
- (III) An application for increased Insurance Cover will not be considered from an Income Plus Member whilst making a Declaration.
- (IV) The Board can make the acceptance of an application under this Article subject to the Income Plus Members agreement to Special Conditions.
- (V) The commencement date of an increase in Insurance Cover under this Article will be stated in the updated Policy Schedule issued in accordance with Article 1 (II)(b) of this schedule. The Board may refuse to allow an Income Plus Member to increase their Insurance Cover under this schedule without giving any reason for such refusal.
- (VI) An application from an Income Member to become an Income Plus Member will be treated as an application for increased Insurance Cover under this Article.

## Article 3 Reduction of Insurance Cover

- (I) An Income Plus Member may reduce their cumulative holding of Shares or Units, lengthen their Claim Deferment Period, or change from Premium Benefit to Standard Benefit at any time by applying in the manner prescribed by the Board at its discretion.
- (II) A reduction in an Income Plus Members Insurance Cover under this Article will take effect from the commencement date shown in the updated Policy Schedule issued under Article 1 (II)(b) of this schedule.

## Article 4 Arrears in Contributions

- (I) If an Income Plus Member is more than four months in arrears with their Contributions they 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 the Income Plus Member liable to expulsion in the same manner under this paragraph as if no extension or payment plan had been agreed.
- (II) Should an Income Plus Member not be more than fourteen days in arrears with their Contributions and desiring Income Benefit, they may make a Declaration and the Secretary shall be empowered to deduct from the payment of Income Benefit the amount of the arrears, but if they are more than fourteen days in arrears with their Contributions they will not be entitled to make a Declaration. Upon the payment of arrears of more than fourteen days, a period not exceeding 30 days shall elapse, subject to the discretion of the Board, before the Income Plus Member shall be eligible to make a Declaration.
- (III) Any Income Plus Member expelled from the Society under this Article will be treated as if they have voluntarily retired or resigned from Income Plus Membership under Article 12 of this schedule. The Secretary is authorised to deduct and retain from the final balance of the Income Plus Member's Profit Share Account, calculated in accordance with Article 12 (V) of this schedule, any arrears of Contributions.

## Article 5 Distressed Income Plus Members

Any Income Plus Member who is unable to pay their Contributions in consequence of distressed circumstances, may apply in writing to the Secretary to have their Contributions paid from their Profit Share Account 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 the Income Plus Member's credit is not reduced below the sum apportioned to them from the latest two years' dividends. The Secretary's view of what constitutes distressed circumstances and satisfactory evidence shall be final.

## Article 6 Associate Membership

An Income Plus Member holding Shares may at any time, with the consent of the Board, elect to discontinue as an Income Plus Member, and continue as an Associate Member under Schedule 2 (Associate Holloway Policy) in the manner prescribed by the Board from time-to-time.

## Article 7 Declaration On the Sick Fund

- (I) Every Income Plus Member wishing to claim Income Benefit must make a Declaration on the Sick Fund of the Society in accordance with this Article. They must notify the Secretary of their intention to make a Declaration, complete and return a sickness claim form with evidence to support their claim to the Society within twenty-eight days from the date they became eligible to receive Income Benefit under this schedule. The form of the sickness claim form will be determined by the Board from time-to-time. While the Board can at its discretion specify otherwise, the supporting evidence they will be required to provide with the sickness claim form under this paragraph is certification by their attending medical physician confirming their incapacity in accordance with the relevant provision of Article 9 (VI) of this schedule.
- (II) If any Income Plus Member fails to make a Declaration in accordance with paragraph (I) of this Article they shall, at the discretion of the Board, be liable to forfeit any Income Benefit that would have been due under this schedule up to and including the day before the Society received the completed sickness claim form and any required evidence to support their Declaration.
- (III) Income Benefit shall be payable from the date after the completion of the Income Plus Members Claim Deferment Period. The Claim Deferment Period will begin to apply from the date they first met the relevant standard of incapacity in Article 9 (VI) of this schedule.
- (IV) While Declaring, every Income Plus Member shall furnish evidence of incapacity or such other information as the Board may at its discretion request to aid the Society's assessment and monitoring of a Declaration. If they fail to provide such evidence or information within twenty-one days of the request, the terms of paragraph (II) with regards to forfeiture of Income Benefit will apply in the same manner as if their sickness claim form was late.
- (V) An Income Plus Member travelling or residing outside their country of residence as shown in the Society's Register of Members, or if they are on any vacation, shall not be entitled to Declare (or continue to be Declared) from the first date concerned until they have returned to the country in the Register of Members, or completed their vacation, unless the Board at its discretion determines otherwise.
- (VI) If on the evidence available, the Board is satisfied that an Income Plus Member has made an improper, false or fraudulent Declaration, the Board shall have the power at its discretion to expel them from the Society and to order forfeiture of all or any part of their Profit Share Account and all claims upon the funds of the Society. Furthermore, they may be required to reimburse to the Society, with interest at such rate as the Board may determine providing it does not exceed 3% above Base Rate, any Income Benefits which they have received but which were the subject of the improper, false or fraudulent Declaration concerned.

## Article 8 Declaration Off the Sick Fund

If an Income Plus Member ceases to be incapacitated in accordance with the relevant part of Article 9 (VI) of this schedule, or if they otherwise become ineligible under this schedule, they shall cease to be entitled to claim Income Benefit and must appropriately notify the Secretary, who shall then declare them off the Sick Fund. If they fail to notify the Secretary that they are no longer entitled to Income Benefit they must refund any Income Benefit paid to them after the date on which their eligibility ceased and will, at the Board's discretion, render himself liable to the provisions of Article 7 (VI) of this schedule.

## Article 9 Sick Fund Assessment

- (I) An Income Plus Member incapacitated in accordance with the relevant part of paragraph (VI) of this Article shall be entitled to Income Benefit. Providing they have complied with the terms of Article 7 of this schedule, and is not more than fourteen days in arrears in accordance with Article 4 of this schedule, they shall be entitled to receive Income Benefit from and including the date of commencement determined under Article 7 (III) of this schedule until they Declare-Off.
- (II) In the event an Income Plus Member's Income Benefit under paragraph (III) would exceed 70% of their Earnings when Declaring, or if they continue to receive any income from their occupation or from other sources of income (excluding any state benefits) while Declaring, the amount of Income Benefit they are entitled to receive shall be proportionately reduced to ensure the total Income Benefit payable, including any aforementioned continuing income, will not exceed 70% of their Earnings. If at the time of their last application for Income Benefit they were granted a level of Income Benefit based on a proportion of Earnings other than 70%, or on some other basis agreed with the Society, the other limit will be applied. They will not be entitled to any refund of premium if their Income Benefit is reduced under this paragraph, but they will be allowed to reduce their Income Benefit under Article 3 of this schedule if they wish.
- (III) Income Benefit shall be at the rate prescribed in Article 1 of this schedule for each week (beginning on a Monday and ending on the following Sunday) per Share and Unit the Income Plus Member Contributes for. If Income Benefit is not due in respect of the whole of such a week, a proportion of one sixth of the weekly rate shall be paid to them for each day (subject to a maximum of six days) during that week that Income Benefit is due. At the Board's discretion, the proportion of the weekly rate can be divided by the number of days in the week they would normally work to support the Earnings their Income Benefit is based on.
- (IV) If an Income Plus Member Contributes for Premium Benefit, then Income Benefit will be paid in full throughout a Declaration. If they Contribute for Standard Benefit, then throughout a Declaration, unless their Policy Schedule specifies otherwise for the stages that follow, Income Benefit shall be paid in full for an initial period of one hundred and four weeks (first stage); then at 30p per week per Share and Unit held for the following fifty-two weeks (second stage); and thereafter, at 18p per week per Share and Unit held (final stage). This provision will apply until they are Declared-Off or reaches their Policy Retirement Date.
- (V) In the case of an Income Plus Member who received Income Benefit for less than six months before Declaring-Off then within three months makes a new Declaration, the second Declaration shall be deemed to be a continuation of the former for the purpose of paragraph (IV) of this Article. Alternatively, if they receive Income Benefit for six months or more before Declaring-Off, a second Declaration within nine months shall also be deemed to be a continuation of the former. In either case, if they provide the Board with appropriate medical evidence to demonstrate that the cause of the second Declaration arose from causes wholly unconnected with the first, the Board will waive this paragraph.

However, nothing in this paragraph shall prohibit the Board from finding a second Declaration to be a continuation claim for the purpose of paragraph (IV) of this Article if it has reasonable grounds to believe that an Income Plus Member subscribing for Standard Income Benefit has attempted to avoid or unreasonably delay the prescribed reduction in their Income Benefit. A Claim Deferment Period would not be applied to a Declaration that was determined to be a continuation of a previous claim under this paragraph.

- (VI) (a) Income Benefit shall be paid by the Society only in respect of the injury to, illness or disease of, the Income Plus Member which results in their incapacity. "Incapacity" will be defined by sub-paragraph (b) unless, in accordance with Article 1 (II)(c) of this schedule, sub-paragraph (c) or sub-paragraph (d) below are specified in the Income Plus Member's Policy Schedule.

#### Own Occupation

- (b) In respect of an Income Plus Member who is normally and regularly engaged for profit or reward in an occupation or occupations immediately prior to their Declaration, "incapacity" shall mean their total inability to perform all of the essential duties of such occupations; and that they are not following any other occupation for profit or reward. If they were NOT normally and regularly engaged for profit or reward in an occupation or occupations immediately prior to the Declaration, "incapacity" will be determined in accordance with sub-paragraph (d).

#### Any Suitable Occupation

- (c) In respect of an Income Plus Member who is normally and regularly engaged for profit or reward in an occupation or occupations immediately prior to their Declaration, "incapacity" shall mean their total inability to perform all of the essential duties of such occupations and the essential duties of such other occupations as their skills, training or qualifications would reasonably make them suitable for; and that they are not following any other occupation for profit or reward. If they were NOT normally and regularly engaged for profit or reward in an occupation or occupations immediately prior to the Declaration, "incapacity" will be determined in accordance with sub-paragraph (d).

#### Activities of Daily Living

- (d) "Incapacity" under this sub-paragraph shall mean either the necessary permanent confinement of the Income Plus Member to their normal place of residence, a hospital/ medical establishment, or to such other premises as may be agreed by the Board; or it shall mean their total inability to perform unaided three or more of the following activities of daily living: dressing and undressing; washing and bathing; eating and drinking; preparing and cooking food; cleaning and laundering clothes; climbing stairs; shopping. In the first part of this paragraph, "permanent" may, at the Board's discretion, be interpreted to include cases where recovery is possible but such a recovery is likely to be prolonged.
- (e) Without prejudice to the sub-paragraphs of this paragraph (VI), an Income Plus Member who is only partially incapacitated may at the discretion of the Board be allowed to follow any employment, or occupation, or training to assist in procuring a livelihood or developing a suitable alternative career, whilst still receiving such proportion of the Income Benefit for which they Contribute towards as the Board may specify in the exercising of its discretion.
- (f) When interpreting "occupation" under this paragraph, the occupation or occupations an Income Plus Member was normally and regularly engaged in for profit or reward will be defined objectively as "profession" or "professions". For instance "pharmacist", "accountant" etc. If when making a Declaration their profession or professions are difficult to ascertain, or if they can demonstrate to the Board's satisfaction that there are exceptional reasons why this definition of profession would be too broad and unreasonable to them, then the essential occupational duties they must be totally unable to perform will be those common to occupational roles similar to their own.

(VII) Any Income Plus Member who is incapacitated by reason of:

- (a) Intentional self-injury;
- (b) Surgical procedures carried out solely for cosmetic purposes;
- (c) The misuse of alcohol or drugs (other than drugs taken as directed or administered by a registered medical or dental practitioner);
- (d) Any disorderly conduct, or criminal act or omission;
- (e) Wilful participation in riot or civil commotion;
- (f) By accidents arising from or during participation in any Hazardous Activity other than those declared to and accepted on risk by the Society;
- (g) War, invasion of or act of a foreign enemy or any enemy foreign to the country in which the incapacity was caused or civil war (in each case whether war is declared or not);
- (h) The direct or indirect effects of radiation or radioactive contamination;

shall not be entitled to Income Benefit in respect of such incapacity or any disease, illness or injury consequent thereon.

An Income Plus Member will not be entitled to receive Income Benefit for at least the first twenty eight days of any incapacity caused by a Mental Health condition. If a Claim Deferment Period greater than twenty eight days applies to an Income Plus Member's Policy, the minimum waiting period before a claim for Income Benefit caused by a Mental Health condition can be eligible will be the Claim Deferment Period.

(VIII) Income Plus Members shall not be entitled to Income for:

- (a) Pregnancy, although while the condition of pregnancy cannot be an illness under this schedule, complications arising from the pregnancy can be considered as an illness when making a Declaration; or
- (b) Abortion, fertilisation or sterilisation procedures.

(IX) The Society may require an Income Plus Member who has made a Declaration to undergo an examination by a doctor or other appropriate examiner appointed by the Society and if they refuse to be so examined they shall be Declared-Off and will not be entitled to receive Income Benefit. The Society may at its discretion suspend payment of Income Benefit pending provision of the examination report. If, in the opinion of the Society's appointed doctor or examiner, the Income Plus Member is not entitled to Declare, the Secretary shall have the power to decline their Declaration, or to treat them as Declared-Off as appropriate, and may require them to pay part or all of the cost of the examinations.

(X) Any Income Plus Member who has made a Declaration and whose incapacity is subsequently found to have arisen from any of the causes specified in paragraphs (VII) or (VIII) of this Article may, at the discretion of the Board, be subject to Article 7 (VI) save that the Board shall only have the power to order any forfeiture if they knowingly claimed in respect of incapacity arising from any of the causes specified in paragraphs (VII) or (VIII) of this Article.

- (XI) If any Income Plus Member whilst Declared does any work for profit or reward, whether in their own occupation or otherwise, except in accordance with the provisions of paragraph (VI)(e) of this Article, the Board shall have the power to order the repayment of part or all of the Income Benefit paid to them for the period they were working, together with interest thereon at such a rate as the Board may determine, though not to exceed 3% above Base Rate. Such an Income Plus Member shall also at the discretion of the Board be subject to Article 7 (VI).
- (XII) The Board may at any time make such enquiries into the circumstances of any Declaration in whatever manner it deems appropriate including, but not limited to, authorising the Secretary to investigate such Declared Income Plus Members as they may deem expedient. Investigation of such Income Plus Members may be carried out by any lawful and reasonable means including, but not limited to, visits to an Income Plus Member by an officer or agent or employee of the Society, or by another appropriate person instructed by the Secretary on behalf of the Society.
- (XIII) Any Income Plus Member whilst Declared and during any relevant period prior to Declaring shall:
  - (a) Refrain from any behaviour likely to retard their recovery; and
  - (b) Comply with the advice or counsel of any qualified medical adviser entrusted with their care, and not to unreasonably refuse to undergo any treatment or surgery recommended by any such medical adviser.

## Article 10 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 dividends to the credit of the Profit Share Account 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 them 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 Profit Share Account 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 Profit Share Account. 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 Profit Share Account.

- (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 their 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 11 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 Income Plus Members under Article 12 (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 Profit Share Accounts 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.
- (IV) If upon the death of an Income Member or an Income Plus Member the total final sum calculated in accordance with Article 12 is less than the sum the Board may declare from time to time, the loyalty bonus will be extended to cover the deficit. Furthermore, when making such a declaration the Board may also determine an additional loyalty bonus payable in the event of the death of an Income Member or Income Plus Member to those properly nominated in accordance with Article 13 and the period over which it will be paid.

## Article 12 Termination of Income Plus Membership and Withdrawals of Capital

- (I) (a) From their sixtieth birthday an Income Plus Member may, and upon reaching their Policy Retirement Date shall, elect for Associate Membership under Article 6 or shall terminate their Policy and cease to Contribute to, or receive any Income Benefit from, the Society. They shall thereupon be entitled to receive the whole amount then standing to the credit of their Profit Share Account, 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) An Income Plus Member electing for Associate Membership under paragraph (I)(a) of this Article may elect to leave part or all of the amount standing to the credit of their Profit Share Account with the Society in accordance with Schedule 2 (Associate Holloway Policy).
- (c) Upon the death of an Income Plus 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 Income Plus 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 Income Member must produce reasonable evidence that they have ceased to be engaged in the work they had 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 Income Plus 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 Income Plus Member resigns after less than two years of Membership from the date their Policy commenced they shall forfeit any funds accumulated in their Profit Share Account and any surplus Contributions made. Otherwise they will be entitled to the amount standing to the credit of their Profit Share Account calculated in accordance with paragraph (V) of this Article, subject to the deduction of the last two Years of dividends credited to their Profit Share Account 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 Income Plus 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 Profit Share Account under one or more of the circumstances listed below. Unless otherwise determined at the discretion of the Board, a withdrawal request from an Income Plus Member under this paragraph can be for a maximum of five hundred pounds at any one time, subject always to the balance of their Profit Share Account, less the cumulative value of the last two dividends to their Profit Share Account substantiating their request.
  - (a) Medical treatment: to meet exceptional expenditure incurred as a result of an operation or special treatment to an Income Plus 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 Income Plus 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 Income Plus 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 Income Plus 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 Income Plus Member's Profit Share Account as at 31st December of the Penultimate Year, less any withdrawals from the Profit Share Account made since that time;
  - (b) Interest calculated on the total of the balance under paragraph (V)(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 Income Plus Member Contributed towards since the 31st December of the Penultimate Year.

If an annual bonus declaration has not been made under 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 10 at the interest and dividend levels declared for the Year prior to the Penultimate Year, and the interim interest and dividends calculated under this sub-paragraph will also be made on the interest and dividend levels declared for the Year before the Penultimate Year; and

(c) If an Income Plus Member qualifies for retirement in accordance with paragraph (l)(a), then a Loyalty Bonus will be applied in accordance with Article 11 on the cumulative amount of sub-paragraphs (a) and (b) of this paragraph.

- (VI) Prohibition of charges: An Income Plus Member may not (other than to the Society) assign, mortgage, charge or otherwise dispose of their interest in their Profit Share Account or any part thereof. If an Income Plus Member shall, or attempts to, assign, mortgage or charge their Profit Share Account or any part thereof; or if they become bankrupt or suffers anything whereby their Profit Share Account or any part thereof would, if belonging to them absolutely, be liable by operation or process of law to become vested in or payable to some other person; their Profit Share Account shall be forfeited, and the funds provisionally apportioned to that Profit Share Account may be applied by the Society for the benefit of any relative or dependant of the Income 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 Income Plus Member in accordance with paragraph (l)(a) of this Article, less such amount as may be due under a valid nomination made under Article 13, 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 Income Plus 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 Income Plus 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 4, Article 7 or Article 14 the most suitable to ensure the Society's membership is not financially prejudiced by the adverse or irresponsible behaviour of the Income Plus Member.

## **Article 13 Nomination of Persons to Receive Monies Payable on the Death of an Income Plus Member**

- (I) Any Income Plus 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 they 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 Income Plus 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 Income Plus Member.
- (V) The marriage or divorce of an Income Plus Member shall operate as a revocation of any nomination previously made by them.
- (VI) The Society shall keep a record of every such nomination, revocation or variation.
- (VII) On receiving satisfactory proof of the death of an Income Plus 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 14 Misrepresentations and Non-disclosure

- (I) An Income Plus Member shall be under a duty to take reasonable care, before and during their time as an Income Plus Member, not to fail to disclose or make any misrepresentations to the Society in response to a request for information.
- (II) If an Income Plus 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 12;
  - (b) They may be required to agree to Special Conditions as a condition of their Policy not being brought to an end under paragraph (II)(a); and/or
  - (c) They may be required to forfeit any Declaration they have made for Income Benefits.
- (III) If an Income Plus 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 Income Plus Member must repay such benefits within 8 Weeks of the Society's request.
- (IV) If the Income Plus Member fails to repay benefits in accordance with paragraph (III) of this Article, they will make themselves liable to Article 7 (VI).

## Article 15 General Administration Provisions and Definitions

- (I) Unless determined otherwise by the Board at its discretion, an Income Plus 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) An Income Plus Member must advise the Society of any change in their occupation or Earnings. If a new occupation is considered to be a greater insurance risk to the Society, the Society will have the right to either: require the Income Plus Member to agree to Special Conditions in order to continue the Insurance Cover; or require the Income Plus Member to elect for Associate Membership in accordance with Article 6, or resign in accordance with Article 12 (II). If an Income Plus Member fails to inform the Society of a change in occupation the Society will not be obliged to accept a request from them to Declare.

- (III) 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.
- (IV) 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.
- (V) Headings in this schedule are for convenience only and shall not affect its interpretation.
- (VI) In the event of any discrepancy between the Society's Rules and an Income Plus 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.
- (VII) 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.
- (VIII) In the event an Income Plus 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.
- (IX) 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.
- (X) If an Income Plus 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 Income Plus Member in these circumstances to either become an Associate Member in accordance with Article 6 or retire from Income Plus Membership under Article 2(l)(a).
- (XI) In this schedule the following words and expressions have the following meanings:

<b>Activities of Daily Living</b>	describes the definition of incapacity described in Article 9 (VI)(d).
<b>Any Suitable Occupation</b>	describes the definition of incapacity described in Article 9 (VI)(c).
<b>Applicant</b>	means an individual who applies for Income Plus Membership in accordance with Article 1.
<b>Associate Member</b>	an individual who becomes a member of the Society under Rule 7 of the Society's Rules in accordance with this schedule.
<b>Base Rate</b>	means the official dealing rate as defined in Article 2 of the Late Payment of Commercial Debts (Rate of Interest) Order 1998.
<b>Board</b>	means the Board of Directors of the Society.
<b>Claim Deferment Periods</b>	if selected under Article 1 (l)(f), means the number of days an Income Member must wait under Article 7 (III) until they become eligible to receive Income Benefit. The Board will at its discretion determine the range of Claim Deferment Periods available to Income Plus Members and, in accordance with Article 1 (l)(e), may amend the Rates as considered appropriate.
<b>Contributions</b>	means the contributions or premiums payable by an Income Plus Member in accordance with this schedule.
<b>Declaration</b>	(including Declare, Declared and Declaring) means an Income Plus Member has applied for, and been accepted on to, the Sick Fund in accordance with Article 7.

<b>Declared-Off</b>	means an Income Plus Member, in accordance with Article 8, is no longer eligible for Income Benefit.
<b>Earnings</b>	means the financial basis on which an Applicant or Income Plus Member's maximum Income Benefit will be based on. Unless a different basis is determined by the Board, for self-employed occupations the financial basis will be their share of pre-tax profits in the last full UK tax year completed; for employed occupations the financial basis will be their pre-tax income for PAYE purposes.
<b>Eligible Person</b>	means an individual who meets the criteria defined by the Board from time-to-time for Income Plus Membership at its discretion.
<b>Hazardous Activities</b>	means, but is not limited to, participating in (or practicing for) mountaineering, climbing, caving, pot-holing, powerboat racing, underwater diving, yacht racing, jet skiing, boxing, horse-racing, martial arts, off-piste skiing, any race, parachuting or flying (other than as a passenger on a scheduled flight), or any other activity which presents a similar risk of injury or disability.
<b>Income Benefits</b>	the sum payable to an Income Plus Member if they are Declared on the Sick Fund in accordance with Article 7.
<b>Income Member</b>	an individual who becomes a member of the Society under Rule 7 in accordance with this schedule.
<b>Income Plus Member</b>	an individual who becomes a member of the Society under Rule 7 in accordance with Schedule 3 (Holloway Income Protection Plus Policy).
<b>Insurance Cover</b>	refers to the insurance benefits provided by an Income Member's Policy in accordance with the cover options stated in their Policy Schedule.
<b>Mental Health</b>	means any mental disorder including but not limited to depression, mood disorder, stress, anxiety, or any behavioral disorder, psychotic or any functional somatic disorder including, but not limited to, chronic pain syndrome, chronic fatigue or myalgic encephalomyelitis.
<b>Own Occupation</b>	means the definition of incapacity described in Article 9 (VI)(b).
<b>Penultimate Year</b>	means the calendar year preceding that of the Year concerned.
<b>Policy</b>	means the terms contained in this schedule, the accompanying Policy Schedule, any Special Conditions the Income Plus Member agreed to in accordance with this schedule, and any declarations made as part of any application for Income Benefit.
<b>Policy Retirement Date</b>	means an Income Plus Member's 65th birthday unless an alternative date is agreed and stated in the Income Member's Policy Schedule.
<b>Policy Schedule</b>	A document issued by the Society in accordance with Article 1 (II) confirming an Income Plus Members Insurance Cover and such other information as the Board may, at its discretion, wish to include.
<b>Premium Benefit</b>	means Income Benefit will be paid at the insured level throughout a Declaration.

<b>Profit Share Account</b>	means Profit Share Account, the Policy mechanism into which funds provisionally apportioned to an Income Plus Member in accordance with Article 10 are accumulated.
<b>Rates</b>	the pricing structure and methodology determined by the Board at its discretion for the purpose of calculating the annual Contributions for Income Plus Members starting from 1st January each Year. Unless the Board determines otherwise, an Income Plus Member's annual Contributions will be calculated based on their age as of each 1st January, their long-term benefit level (Standard Benefit or Premium Benefit), their Claim Deferment Period, their holding of Shares and Units, any loadings that apply to their insurance risk, and any other loadings or discounts that may apply.
<b>Register of Members</b>	means the membership register the Society is required to maintain in accordance with Rule 9 of the Society's Rules.
<b>Reserve Fund</b>	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.
<b>Resignation</b>	describes the circumstances of an Income Plus Member who terminates their Policy under Article 12 (III).
<b>Retirement</b>	describes the circumstances of an Income Plus Member who terminates or commutes their Policy in accordance with Article 12 (I)(a).
<b>Revenue Account</b>	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.
<b>Rules</b>	means the Rules of the Society.
<b>Secretary</b>	means the Secretary of the Society appointed under Rule 21.1 of the Society's Rules.
<b>Shares and Units</b>	each share and unit an Income Plus Member Contributes towards will provide a level of Income Benefit in accordance with Article 1 (I)(a). Shares will also be the mechanism the Board will use when declaring dividends to the Profit Share Account's of Income Plus Members under Article 10.
<b>Standard Benefit</b>	means Income Benefit will be reduced in accordance with Article 9 (IV) over the course of a Declaration.
<b>Sick Fund</b>	means the list of Income Plus Members currently Declared and entitled, under this schedule, to receive Income Benefits from the Society's Revenue Account, or from a Reserve Fund established for the payment of claims, or both.
<b>Society</b>	means Pharmaceutical and General Provident Society Limited.
<b>Special Conditions</b>	a special term or terms proposed by the Society, and accepted by an Income Plus Member, as a condition of making an offer of Income Plus Membership in accordance with Article 1, or increased Insurance Cover in accordance with Article 2. A special term can be, but is not limited to:

loadings to the Income Plus Member's Contributions towards their Insurance Cover (not the Income Plus Member's Contribution towards the surplus of the Society); specified medical condition exclusions; an alternative Claim Deferment Period in respect to a specified medical condition; a duration limit on any Declaration made in respect to a specified medical condition; and an alternative definition of incapacity under Article 9 (VI) in respect to a specified medical condition.

**Year** means the calendar year.

## Article 16 Effective Dates and Previous Policies

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

Secretary of the Society.....

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