

THE RULES

OF

THE MASONIC MUTUAL LIMITED

THE MASONIC MUTUAL LIMITED

PART 1	INTRODUCTION
PART 2	COVER
PART 3	SCOPE OF COVER
PART 4	MEMBERSHIP
PART 5	CESSATION OF MEMBERSHIP
PART 6	CLAIMS
PART 7	THE FUNDS OF THE MUTUAL
PART 8	COMMUNICATIONS AND NOTICES
PART 9	DISPUTES, GOVERNING LAW AND JURISDICTION
PART 10	GENERAL TERMS AND CONDITIONS
PART 11	INTERPRETATION
PART 12	DEFINITIONS

Contents

PART 1 INTRODUCTION	6
RULE 1. THE RULES PREVAIL	6
RULE 2. AMENDMENTS TO THE RULES.....	6
RULE 3. DELEGATION OF POWERS BY THE MUTUAL.....	6
RULE 4. DELEGATION OF POWERS BY THE MANAGERS	6
RULE 5. DELEGATED POWERS EXERCISED ON BEHALF OF THE MUTUAL.....	7
PART 2 COVER.....	7
RULE 6. COVER.....	7
RULE 7. POWER OF THE BOARD TO MAKE PAYMENTS	7
RULE 8. RIGHT TO SEEK RECOVERY	7
RULE 9. DISCRETION	7
RULE 10. LIMIT OF COVER	8
RULE 11. CONDITIONS OF COVER.....	8
RULE 12. RIGHT OF SET-OFF BY THE MUTUAL	8
PART 3 SCOPE OF COVER.....	8
RULE 13. RISKS COVERED	8
RULE 14. CONSEQUENTIAL LOSSES	9
RULE 15. CONDITIONS FOR RECOVERY OF CONSEQUENTIAL LOSSES.....	10
RULE 16. CONSULTANTS AND SUB-CONTRACTORS	10
RULE 17. OMNIBUS RULE	11
PART 4 MEMBERSHIP	11
RULE 18. APPLICATION FOR MEMBERSHIP	11
RULE 19. DISCRETIONARY DECISION OF THE BOARD.....	11
RULE 20. COMMENCEMENT OF MEMBERSHIP	11
RULE 21. CERTIFICATE OF ENTRY.....	11
RULE 22. TERMS AND CONDITIONS OF MEMBERSHIP	12
RULE 23. CERTIFICATE OF ENTRY: CONCLUSIVE EVIDENCE.....	12
RULE 24. SPECIAL TERMS OF MEMBERSHIP	12
RULE 25. PARTICULARS AND INFORMATION PROVIDED BY MEMBERS.....	13
RULE 26. PAYMENT OF CONTRIBUTIONS AND TERMINATION EVENTS	13
RULE 27. VARIATION OF COVER	13
RULE 28. PERIOD OF COVER	13
PART 5 CESSATION OF MEMBERSHIP	14

RULE 29. WITHDRAWAL FROM MEMBERSHIP BY THE MEMBER.....	14
RULE 30. NEW PERIOD OF COVER	14
RULE 31. TERMINATION OF MEMBERSHIP.....	14
RULE 32. NO RIGHT TO SURPLUS	15
RULE 33. CONTRIBUTIONS DUE ON CESSATION OF MEMBERSHIP	15
RULE 34. SET-OFF BY THE MEMBER	16
RULE 35. RECOVERY OF UNPAID CONTRIBUTIONS	16
RULE 36. REINSTATEMENT OF MEMBERSHIP AND COVER	16
PART 6 CLAIMS	16
RULE 37. CONSIDERATION OF CLAIMS.....	16
RULE 38. INFORMATION.....	17
RULE 39. MITIGATION OF LOSS	17
RULE 40. REDUCTION OR REJECTION OF CLAIMS	17
RULE 41. WAIVER BY THE BOARD	18
RULE 42. CLAIMS MADE AFTER CESSATION OF MEMBERSHIP	18
RULE 43. EXCLUSIONS	19
RULE 44. CONDUCT OF CLAIMS.....	20
RULE 45. APPOINTMENT OF EXPERTS	20
RULE 46. TERMS OF APPOINTMENT OF EXPERTS	20
RULE 47. INSURANCE – RATEABLE PROPORTION.....	21
RULE 48. INTEREST	21
PART 7 THE FUNDS OF THE MUTUAL	21
RULE 49. APPLICATION OF CONTRIBUTIONS.....	21
RULE 50. CONTRIBUTIONS.....	22
RULE 51. RATE	22
RULE 52. TIME OF PAYMENT	23
RULE 53. NOTIFICATION	23
RULE 54. SET-OFF	23
RULE 55. PENALTY FOR LATE PAYMENT.....	23
RULE 56. EFFECT OF NON-PAYMENT OF CONTRIBUTIONS	24
RULE 57. CLOSING AN INDEMNITY YEAR.....	24
RULE 58. DISPOSAL OF EXCESS FUNDS.....	24
RULE 59. CLOSED INDEMNITY YEAR – ALLOCATION OF CREDITS AND DEFICITS	25
RULE 60. RESERVES.....	25

RULE 61. GENERAL RESERVE	25
RULE 62. INVESTMENT	26
RULE 63. TYPES OF INVESTMENT	26
RULE 64. POOLING OF INVESTMENT FUNDS.....	26
RULE 65. ALLOCATION OF INVESTMENT GAINS AND LOSSES	26
RULE 66. APPLICATION OF INVESTMENT GAINS	27
RULE 67. INVESTMENT LOSSES.....	27
PART 8 COMMUNICATIONS AND NOTICES	28
RULE 68. WRITTEN COMMUNICATIONS.....	28
RULE 69. NOTICES TO BE SERVED ON THE MUTUAL.....	28
RULE 70. NOTICES TO BE SERVED ON MEMBERS.....	28
RULE 71. DEEMED DATE OF SERVICE AND PROOF OF SERVICE	29
PART 9 DISPUTES, GOVERNING LAW AND JURISDICTION	29
RULE 72. ADJUDICATION	29
RULE 73. LONDON ARBITRATION	30
RULE 74. SOLE ARBITRATOR – BINDING DECISION	30
RULE 75. SOLE REMEDY	30
RULE 76. GOVERNING LAW	30
RULE 77. JURISDICTION	30
PART 10 GENERAL TERMS AND CONDITIONS	31
RULE 78. INSURANCE BY THE MUTUAL.....	31
RULE 79. TERMS OF INSURANCE	31
RULE 80. INSURANCE SUBJECT TO THE RULES	31
RULE 81. NO ADMISSIONS.....	31
RULE 82. ASSIGNMENT ONLY WITH CONSENT.....	31
RULE 83. SET-OFF ON ASSIGNMENT.....	32
RULE 84. SUBROGATION	32
RULE 85. SUBROGATION – EMPLOYEES	32
PART 11 INTERPRETATION.....	33
RULE 86. INTERPRETATION.....	33
PART 12 DEFINITIONS.....	34
RULE 87. DEFINITIONS.....	34

PART 1 INTRODUCTION

RULE 1. THE RULES PREVAIL

1. These Rules are to be read in conjunction with the Articles of Association of The Masonic Mutual Limited and the Certificate of Entry of each Member. In the event of any inconsistency between these Rules and any other document, the provisions of these Rules shall apply except where expressly stated otherwise.

RULE 2. AMENDMENTS TO THE RULES

2. In accordance with Article 4.5 and subject to Article 4.6 of the Articles of Association the Rules may be amended or varied at any time by the Board, as the Board thinks appropriate.

RULE 3. DELEGATION OF POWERS BY THE MUTUAL

3. Whenever any power, duty or discretion is stated in these Rules to be vested in the Mutual, such power, duty or discretion shall be exercisable by the Board unless the same shall have been delegated to any committee or sub-committee of the Board of Directors, or to the Managers, in which event such power, duty or discretion may be exercised by any person to whom the same shall have been so delegated.

RULE 4. DELEGATION OF POWERS BY THE MANAGERS

4. Whenever any power, duty or discretion is conferred or imposed upon the Managers by virtue of these Rules, such power, duty or discretion may, subject to any terms, conditions or restrictions contained in these Rules, be exercised by any one or more of the Managers or by any employee or sub-contractor of the Managers to whom the same shall have been delegated.

RULE 5. DELEGATED POWERS EXERCISED ON BEHALF OF THE MUTUAL

5. Whenever any power, duty or discretion is exercised by the Mutual, by the Board, by the Managers or by any other person to whom it shall have been delegated, they shall exercise such power, duty or discretion on behalf of the Mutual.

PART 2 COVER

RULE 6. COVER

6. The Cover which may be provided by the Mutual is as set out in these Rules and the Certificate of Entry of each Member, and provides Cover for a Member against loss, damage, liability or expense incurred by that Member.

RULE 7. POWER OF THE BOARD TO MAKE PAYMENTS

7. The Board may make a payment from the funds of the Mutual to any Member or former Member wholly or in part with regard to any of the matters set out in these Rules and that Member's or former Member's Certificate of Entry and shall not be required to give any reasons in respect of its decisions.

RULE 8. RIGHT TO SEEK RECOVERY

8. Subject always to Rule 11 (Conditions of Cover), a Member shall be entitled to seek recovery out of the funds of the Mutual the amount of any liability, loss, cost or expense which may be incurred by the Member in respect of the risks set out in Rules 13 (Risks Covered) and 14 (Consequential Losses) to the extent and upon the terms, conditions and exceptions provided by these Rules and the Member's Certificate of Entry.

RULE 9. DISCRETION

9. Notwithstanding anything to the contrary, any Cover provided by the Mutual is at the absolute discretion of the Board and:

9.1. any reference in these Rules, or in any Certificate of Entry, to risks covered, or to cover, or to any payment by the Mutual to a Member, or any such similar expressions must be read accordingly;

9.2. any reference to the discretion of the Board and to any action to be taken as the Board thinks fit shall be construed as a discretion to be exercised and action to be taken in the sole and absolute discretion of the Board without any fetter or other qualification whatsoever.

RULE 10. LIMIT OF COVER

10. The Cover afforded to a Member shall be limited to the amount and be subject to the excesses stated in the Member's Certificate of Entry issued under Rule 21 (Certificate of Entry).

RULE 11. CONDITIONS OF COVER

11. The Cover afforded to a Member is subject to all the conditions set out in these Rules and the Member's Certificate of Entry, and the Cover may only be varied by agreement in writing between a Member and the Mutual under Rule 27 (Variation of Cover).

RULE 12. RIGHT OF SET-OFF BY THE MUTUAL

12. Without prejudice to any other provisions of these Rules, the Mutual shall be entitled to set off any amount due from the Member against any amount agreed to be due to such Member from the Mutual.

PART 3 SCOPE OF COVER

RULE 13. RISKS COVERED

13. Subject to the terms of a Member's Certificate of Entry, the Mutual may offer Cover for any of the following risks:

- 13.1. **Liability**
- 13.1.1. General Third Party and Products Liability
 - 13.1.2. Professional Indemnity
 - 13.1.3. Breach of Copyright
 - 13.1.4. Libel and Slander
 - 13.1.5. Loss of Documents
 - 13.1.6. Fraud of Employees
 - 13.1.7. Directors' and Officers' Indemnity
 - 13.1.8. Employer's Liability
 - 13.1.9. Trustees' Liability
 - 13.1.10. Marine and Aviation Liability

- 13.2. **Property**
- 13.2.1. All Real and Personal Property Risks
 - 13.2.2. Machinery Breakdown and Boiler Explosion
 - 13.2.3. Economic Loss and Business Interruption
 - 13.2.4. Computer and Associated Plant and Equipment
 - 13.2.5. Marine and Aviation Hull
 - 13.2.6. Marine Transit
 - 13.2.7. Motor Vehicles and Equipment
 - 13.2.8. Livestock
 - 13.2.9. Fidelity Guarantee

- 13.3. **Other**
- Such other risks, costs and expenses as the Board may determine from time to time.

RULE 14. CONSEQUENTIAL LOSSES

14. Subject to the terms of a Member's Certificate of Entry, the Mutual may also pay the Member in respect of:
- 14.1. legal costs or other expenses which the Member may incur in respect of any liability or expenditure against which the Member may be indemnified under these Rules and the relevant Certificate of Entry;

- 14.2. losses, costs and expenses necessarily incurred by the Member in order to avoid or reduce a liability or expenditure against which the Member may be indemnified by the Mutual, even if such losses, costs and expenses would otherwise be excluded by these Rules;
- 14.3. losses, costs and expenses which the Member may be required to incur on the express written direction of the Board or the Managers.

RULE 15. CONDITIONS FOR RECOVERY OF CONSEQUENTIAL LOSSES

15. In relation to the matters set out in Rules 14.1 and 14.2 (Consequential Losses) no such losses, legal or other costs or expenses shall be recoverable unless:

- 15.1. they have been incurred with the prior agreement of the Mutual, or
- 15.2. the Board shall subsequently determine that such losses, costs and expenses were reasonably incurred.

RULE 16. CONSULTANTS AND SUB-CONTRACTORS

16. The Mutual may provide Cover for liabilities, together with costs and expenses incidental thereto, which may arise as the result of acts or omissions of a specialist consultant or sub-contractor employed by and acting on behalf of the Member as an independent contractor, provided always that:

- 16.1. there shall be no waiver by the Member of any rights of recourse against any such specialist consultant or sub-contractor; and
- 16.2. in respect of liabilities arising under a contract for the services of such specialist consultant or sub-contractor, that contract has been approved by the Board.

RULE 17. OMNIBUS RULE

17. The Mutual may pay a Member for such other losses, costs or expenses incurred by the Member as the Board, in the Board's discretion, may determine notwithstanding that such risks may be excluded by these Rules or in any Certificate of Entry issued under these Rules.

PART 4 MEMBERSHIP

RULE 18. APPLICATION FOR MEMBERSHIP

18. Any Masonic Organisation which wishes to become a Member of the Mutual shall apply for Membership and Cover in such form as may from time to time be required by the Board and shall provide all particulars and information requested.

RULE 19. DISCRETIONARY DECISION OF THE BOARD

19. Acceptance of an application for Membership or the refusal of Membership is in the Board's discretion, and the Board will not be obliged to give reasons for refusing to admit any applicant as a Member of the Mutual.

RULE 20. COMMENCEMENT OF MEMBERSHIP

20. If an application for Membership is accepted then, as from the date stated in the Certificate of Entry, the Company concerned shall be a Member.

RULE 21. CERTIFICATE OF ENTRY

21. Prior to or as soon as reasonably practicable after the commencement of Membership, the Mutual shall issue a Certificate of Entry to the Member. The Certificate of Entry (subject to any special terms upon which may be agreed under Rule 24 (Special Terms of Membership)) shall state:-

21.1. the name and contact details of the Member;

21.2. the name of the Member's Representative;

- 21.3. the risks against which the Member may seek Cover from the Mutual and any conditions and exclusions which apply to the Cover;
- 21.4. the Period of Cover of such Member;
- 21.5. the limits of the Cover which may be provided and the excesses applicable to the Member;
- 21.6. the Contributions due from the Member and/or any special terms as to Contributions;
- 21.7. the names of any Affiliated Bodies which have been agreed in writing by the Board as forming part of the Member's Membership of the Mutual; and
- 21.8. the terms of any contract of insurance effected on the Member's behalf.

RULE 22. TERMS AND CONDITIONS OF MEMBERSHIP

- 22. The terms and conditions of Membership are those set out in the Rules and are subject to such variations, within the scope of these Rules, as may be agreed between the Member and the Mutual and recorded in the Certificate of Entry.

RULE 23. CERTIFICATE OF ENTRY: CONCLUSIVE EVIDENCE

- 23. Subject to Rule 26 (Payment of Contributions and Termination Events), every Certificate of Entry issued under Rule 21 (Certificate of Entry) shall be conclusive evidence of the conditions of Membership between the Member and the Mutual.

RULE 24. SPECIAL TERMS OF MEMBERSHIP

- 24. The Mutual may agree special terms of Membership and Contributions for a Member and such special terms shall be endorsed on the Member's Certificate of Entry.

RULE 25. PARTICULARS AND INFORMATION PROVIDED BY MEMBERS

25. All particulars and information given by a Member before and in the course of Membership shall, if the application for Membership is accepted, be deemed to form part of the terms of Membership between the Member and the Mutual and all such particulars and information must be true and complete in so far as they are within the Member's knowledge or could with reasonable enquiries have been ascertained by the Member.

RULE 26. PAYMENT OF CONTRIBUTIONS AND TERMINATION EVENTS

26. Unless otherwise agreed in writing by the Board, the Membership of a Member in the Mutual is only valid if:

- 26.1. all Contributions have been paid as specified in these Rules and as set out in the Member's Certificate of Entry; and
- 26.2. none of the events in Rule 31 (Termination of Membership) has occurred.

RULE 27. VARIATION OF COVER

27. If at any time the Mutual and the Member agree to vary the terms and conditions of Cover, the Mutual shall as soon as reasonably practicable thereafter issue an endorsement to the Certificate of Entry stating the variation and the date from which such variation is to be effective.

RULE 28. PERIOD OF COVER

28. Subject as otherwise provided in these Rules, the Period of Cover shall begin on the date and at the time stated in the Certificate of Entry (or in the case of a change in the terms of Membership at 00.01 hours on the effective date of change recorded on the Certificate of Entry under Rule 27 (Variation of Cover)) and shall continue until and including 24.00 hours on the 30th June next following unless stated otherwise in the Member's Certificate of Entry or otherwise agreed in writing by the Mutual. Where applicable, all Contributions shall be calculated pro rata to the date of entry or change.

PART 5 CESSATION OF MEMBERSHIP

RULE 29. WITHDRAWAL FROM MEMBERSHIP BY THE MEMBER

29. A Member may not withdraw from the Mutual except:
- 29.1.1 at the expiry of the Period of Cover defined in Rule 28 (Period of Cover); or
 - 29.2. as may be provided for under the terms of the Member's Cover.

RULE 30. NEW PERIOD OF COVER

30. On or before the expiry date of a Period of Cover the Member's Representative shall make an application to enter the Member for the next Period of Cover in accordance with the provisions of Part 4 (Membership) (provided always that the Board may in its discretion accept a late application for re-entry). The next Period of Cover shall commence on the date stated in the Member's Certificate of Entry in accordance with the information and requests contained in such application and upon terms and conditions agreed between the Mutual and the Member.

RULE 31. TERMINATION OF MEMBERSHIP

31. Unless otherwise agreed by the Board in writing, a Member shall immediately cease to be a Member of the Mutual upon the happening of any of the following events:
- 31.1. the dissolution of the Member;
 - 31.2. the withdrawal of the Member's charter or warrant or equivalent establishing the Member;
 - 31.3. a resolution is passed or an order is made for the winding up of the Member other than for the purposes of re-organisation;
 - 31.4. the Member makes any composition or arrangement with its creditors;
 - 31.5. an insolvency practitioner or similar person is appointed in respect of the Member;
 - 31.6. having failed to pay when due and demanded by the Mutual any sum

due from it to the Mutual, the Member is served with a final notice by the Mutual requiring the Member to pay such sum and the Member fails to pay such sum in full on or before the date specified in such final notice; or

- 31.7. the Period of Cover shall have ceased for any reason and not recommenced in accordance with Rule 30 (New Period of Cover).

RULE 32. NO RIGHT TO SURPLUS

32. As from the date of the termination of Membership under Rule 31 (Termination of Membership) the Member shall be under no further liability to contribute in respect of its Membership or any part thereof nor shall there be any right to share in any return of Contributions or other receipts under Rule 58 (Disposal of Excess Funds) in respect of its Entry or part thereof except in accordance with Rule 58.2.2.

RULE 33. CONTRIBUTIONS DUE ON CESSATION OF MEMBERSHIP

33. A Member who ceases to be a Member of the Mutual for any reason shall be and remain liable to pay to the Mutual all Contributions already owing for the Indemnity Year in which the Membership ceases and for any previous Indemnity Years which have not, at the date the Membership ceases, been closed in accordance with Rule 57 (Closing an Indemnity Year) and which such former Member would have been liable to pay had the Membership not ceased.

RULE 34. SET-OFF BY THE MEMBER

34. The set-off of any specific sum due under these Rules by a Member must be specifically agreed in writing by the Mutual. Otherwise, no set-off of any kind shall be allowed against any sum due under these Rules, including any set-off which might have arisen by reason of the insolvency or winding up of a Member.

RULE 35. RECOVERY OF UNPAID CONTRIBUTIONS

35. All monies from time to time due and payable by a Member or former Member to the Mutual may be recovered by action commenced in the name of the Mutual.

RULE 36. REINSTATEMENT OF MEMBERSHIP AND COVER

36. If cessation of Membership and Cover shall have occurred by virtue of Rule 31 (Termination of Membership) then, in the event that the former Member offers unconditionally to pay to the Mutual all outstanding amounts due to the Mutual together with interest due under Rule 55 (Penalty for Late Payment), the Board may in its discretion reinstate Membership and Cover for such period or periods as the Mutual may determine.

PART 6 CLAIMS

RULE 37. CONSIDERATION OF CLAIMS

37. Subject to Articles 15.2, 15.3 and 15.4 of the Articles of Association (Conflicts of Interest), the Board shall consider claims which may be paid by the Mutual in accordance with these Rules as the Board determines and as and when it thinks fit, but the Board shall have power from time to time to authorise the Managers to effect payment of claims in the Managers' discretion without prior reference to the Board.

RULE 38. INFORMATION

38. Every Member must at all times promptly notify the Mutual of any information, documents or reports in the Member's or the Member's agents' possession, control or knowledge relevant to any claim or any circumstances which might give rise to a claim under these Rules or the Member's Certificate of Entry and:

- 38.1. the Member shall, whenever so requested, give the Mutual or its representatives free access to such information, documents or reports with liberty to inspect and copy the same; and
- 38.2. such free access shall include the right to conduct a survey, or to interview any officer, employee, contractor or agent of the Member who may in the opinion of the Board be in possession of information relevant to the said claim or circumstances.

RULE 39. MITIGATION OF LOSS

39. When circumstances arise which may give rise to a claim under these Rules or the Member's Certificate of Entry, the Member shall take such reasonable steps (i) for the purpose of averting or minimising any loss, damage, expense or liability in respect of which the Member may make such a claim or (ii) as requested by or on behalf of the Mutual.

RULE 40. REDUCTION OR REJECTION OF CLAIMS

40. Without prejudice to any other provisions of these Rules the Board may, in its discretion, reject a claim or reduce the sum payable by the Mutual in respect of a claim if:

- 40.1. the Member fails to give reasonable notice of (i) any claim made against the Member (including receipt of notice of intention to make a claim), or (ii) any losses or potential losses incurred by the Member, which may fall within the ambit of these Rules and the Certificate of Entry;
- 40.2. in the opinion of the Board, the Member making the claim has not taken

such steps before, at the time of, or after the Member had knowledge of the circumstances giving rise to the claim, to protect the Member's interests as the Member should have done, or as the Member would have done, if the Member had not been a Member of the Mutual;

- 40.3. the claim is settled, or any liability is admitted, by or on behalf of the Member without the prior written consent of the Mutual;
- 40.4. the Member failed to comply with a recommendation or directive made to the Member or to the Member's Representative, agent or other representative at any time by or on behalf of the Board in connection with the handling or settlement of the claim or potential claim;
- 40.5. the Member failed to comply with any of the Member's obligations under these Rules; or
- 40.6. the Member failed to comply with any other Condition set out in the Member's Certificate of Entry.

RULE 41. WAIVER BY THE BOARD

41. Notwithstanding any neglect or non-compliance with, or breach of, any of these Rules by any Member, the Board may in its discretion waive any of the Mutual's rights arising therefrom and may pass and pay in full or in part any claim which it thinks fit. The Mutual shall nevertheless at all times and without notice be entitled to insist on the strict application of these Rules.

RULE 42. CLAIMS MADE AFTER CESSATION OF MEMBERSHIP

42. If the Cover offered by the Mutual is terminated for any reason, the Mutual will not consider any claim in relation to any event which takes place after that termination. The Mutual will, however, subject to the Rules, consider claims relating to events which occurred prior to termination even if the claim is made after termination.

RULE 43. EXCLUSIONS

43. There shall be no recovery from the Mutual, except as otherwise provided in these Rules or the Member's Certificate of Entry, in respect of liabilities, costs and expenses resulting or arising from:

43.1. Other Ventures

Activities carried out by a Member other than in the name of the Member or any Affiliated Body of the Member unless Cover has been extended under Rule 16 (Consultants and Sub-Contractors).

43.2. Pre-existing Circumstances

Any circumstances not notified to the Mutual before the start of a Period of Cover and which the Member knew or ought reasonably to have known might give rise to a claim falling within the Cover provided under these Rules.

43.3. War Risks

War, civil war, revolution, rebellion, insurrection or civil strife, or any hostile act by or against a belligerent power.

43.4. Fraud

Any dishonest, fraudulent, criminal or malicious act or omission or wilful or reckless misconduct of a Member and/or any officer or employee of a Member.

43.5. Nuclear Risks

(a) Physical loss, destruction or damage to Property, or

(b) any legal liability of whatsoever nature

directly or indirectly caused by or contributed to or arising from:

(i) the combustion of nuclear fuel including any self-sustaining process of nuclear fission;

(ii) nuclear weapon materials.

43.6. Other exclusions

All other exclusions listed on Certificates of Entry.

RULE 44. CONDUCT OF CLAIMS

44. The Board shall have the right, if it so decides, to control or direct the conduct of any claim or legal or other proceedings relating to any matter which has resulted in or which may result in loss, damage, expense or liability in respect of which the Member may make a claim under these Rules and the Certificate of Entry and, where it is reasonable so to do, require the Member to settle, compromise or otherwise dispose of such claim or proceedings in such manner and upon such terms as the Board sees fit.

RULE 45. APPOINTMENT OF EXPERTS

45. Without prejudice to any other provision of these Rules and without waiving any of the Mutual's rights hereunder, the Mutual may at any and all times appoint on behalf of the Member, upon such terms as the Mutual may think fit, lawyers, surveyors or other persons with a view to advising the Mutual upon or investigating or dealing with any matter which has or may result in loss, damage, expense or liability in respect of which the Member is or may be indemnified under these Rules and the Certificate of Entry, including taking or defending legal or other proceedings in connection therewith. The Mutual may also at any time discontinue such appointment if it thinks fit.

RULE 46. TERMS OF APPOINTMENT OF EXPERTS

46. All persons appointed by the Mutual on behalf of the Member under Rule 45 (Appointment of Experts), or appointed by the Member with the prior written consent of the Mutual, shall at all times be and be deemed to be appointed on the following terms:

- (a) they have been instructed by the Member at all times to:
 - (i) give advice and to report to the Mutual in connection with the matter without prior reference to the Member; and
 - (ii) produce to the Mutual without prior reference to the Member any documents or information in their possession or power relating to such matter, all as if such person had been appointed to act and had at all times been acting on behalf of the Mutual;

- (b) any advice they may give to the Mutual is that of an independent contractor appointed by the Member and shall in no way bind the Mutual or fetter the exercise of the Board's discretion.

RULE 47. INSURANCE – RATEABLE PROPORTION

47. Where a Member is insured in any manner whatsoever against any of the losses, liabilities, costs or expenses which might otherwise have been recoverable under these Rules, the Mutual shall contribute no more than its rateable proportion to such liabilities, costs or expenses on the basis of any terms in such insurance excluding or limiting liability on the grounds of double insurance or otherwise.

RULE 48. INTEREST

48. In no case shall a Member be entitled to claim interest on any claim against the Mutual.

PART 7 THE FUNDS OF THE MUTUAL

RULE 49. APPLICATION OF CONTRIBUTIONS

49. The Members shall contribute to the funds of the Mutual by way of Contributions to meet:
- 49.1. the claims, and other expenses or outgoings (whether incurred, accrued or anticipated) which at the discretion of the Board properly fall upon the Mutual in respect of the Indemnity Year in which the Contributions are paid; and/or
 - 49.2. any costs or expenses incurred by the Mutual in entering into insurance contracts in respect of the Cover provided to Members under these Rules; and/or
 - 49.3. such transfer to reserves or provisions as the Board may deem it

expedient to make, including transfers to reserves and provisions in respect of any deficiency which has occurred or which may be thought likely to occur in respect of any Closed Indemnity Year as the Board thinks fit.

49.4 The Board may at any time or times during or after the end of each Indemnity Year (but not after such Indemnity Year has been closed) direct that a supplementary Contribution shall be paid by each member for such Indemnity Year at such rate as the Board may think fit. All such supplementary Contributions shall be calculated pro rata to the original Contributions in the relevant year.

PROVIDED ALWAYS THAT:

The rate at which such supplementary Contribution is levied shall not exceed in aggregate zero (0) percent of the original Contribution of the Member.

RULE 50. CONTRIBUTIONS

50. Before the start of an Indemnity Year the Board shall decide the percentage (if any) by which there is to be a general change in the contribution rates of all Members which are to be levied (subject to any special terms under Rule 24 (Special Terms of Membership)) and which are to be paid by way of Contributions in respect of such Indemnity Year.

RULE 51. RATE

51. The Contribution rate in respect of each Member shall be set by the Mutual and shall be stated in the Certificate of Entry of such Member and may be altered in accordance with the provisions of Rule 27 (Variation of Cover) and Rule 50 (Contributions).

RULE 52. TIME OF PAYMENT

52. Every Contribution shall be payable in such instalments and on such dates as the Board may specify.

RULE 53. NOTIFICATION

53. As soon as reasonably practicable after the rate of the Contribution is fixed the Mutual shall notify each Member's Representative concerned of:

53.1. such rate;

53.2. the date on which the Contribution concerned is payable or, if such Contribution is payable by instalments, of the amounts of such instalments and the respective dates on which they are payable; and

53.3. the amount payable.

RULE 54. SET-OFF

54. A Member shall not be entitled to set off the whole or any part of any potential benefits from the Mutual against the Contributions or other sums of whatsoever nature due to the Mutual nor shall a Member be entitled to withhold or delay payment of any such Contributions or sums.

RULE 55. PENALTY FOR LATE PAYMENT

55. Without prejudice to the rights and remedies of the Mutual under these Rules, if any Contribution or instalment or part thereof or any other sum of whatsoever nature due from any Member is not paid by such Member on or before the date specified for payment thereof the Board may order such Member to pay interest on the amount not so paid, from and including the date so specified down to the date of payment, at a rate of 2% above the Bank of England Official Bank Rate from time to time.

RULE 56. EFFECT OF NON-PAYMENT OF CONTRIBUTIONS

56. If any Contribution or other payment due from a Member to the Mutual is not paid, and if the Board decides that payment cannot be obtained, the sums required to make good any resulting shortfall or deficiency in the funds of the Mutual shall be deemed to be expenses of the Mutual for the purposes of applying Contributions under Rule 49 (Application of Contributions).

RULE 57. CLOSING AN INDEMNITY YEAR

57. The Board shall, at such time as it may deem expedient after the end of an Indemnity Year, declare that such Indemnity Year shall be closed.

RULE 58. DISPOSAL OF EXCESS FUNDS

58. If, prior to closing any Indemnity Year, it appears to the Board at any time that the Contributions and other receipts (including transfers from reserves and provisions) in respect of such Indemnity Year shall exceed the claims, expenses, losses and other outgoings (whether incurred, accrued or anticipated) falling upon the Mutual for that year together with all transfers to reserves and provisions made out of the Contributions paid in respect of such Indemnity Year, then the excess may, at the discretion of the Board, be disposed of in whole or in part either:

- 58.1. to reserves in accordance with the provisions of Rule 61 (General Reserve); and/or
- 58.2. by being returned in whole or in part to the Members who were Members in that Indemnity Year, and who paid their Contributions, in proportion to their respective Contributions, save that:
 - 58.2.1. no return shall be made to any Company which has ceased to be a Member by reason of application of Rule 31.5 (Non-payment) except where, in the event that the former Member offers unconditionally to pay to the Mutual, and pays either directly or by deduction from such return, all outstanding amounts together with interest due under Rule 55 (Penalty for Late Payment),

the Board may in its discretion reinstate a return for such period or periods as the Board may determine; or

58.2.2. where a Member's entry has ceased for any other reason then there shall be deducted a sum equivalent to the total claims of that former Member paid or accepted by the Mutual in respect to the relevant Indemnity Year or Years from any excess funds able to be returned hereunder.

RULE 59. CLOSED INDEMNITY YEAR – ALLOCATION OF CREDITS AND DEFICITS

59. If in respect of any Closed Indemnity Year it shall appear to the Board at any time that the claims, expenses, losses and other outgoings (whether incurred, accrued or anticipated) falling upon the Mutual for that Indemnity Year, together with all transfers to reserves and provisions, are not equal to the Contributions and other receipts (including transfers from reserves and provisions) in respect of that Indemnity Year, then any credit shall be transferred to the General Reserve of the Mutual and any deficit shall be treated as an expense of the Mutual and may be made up by a transfer from the General Reserve of the Mutual.

RULE 60. RESERVES

60. The Board may establish and maintain such reserve funds as it thinks fit, including a general reserve or other accounts, for such contingencies or purposes as the Board in its discretion thinks fit.

RULE 61. GENERAL RESERVE

61. The Board may set aside at any time to general reserve such sums from the proceeds of any Contributions in respect of any Indemnity Year as it thinks fit. Such General Reserve may be used by the Mutual at any time so as to provide in whole or in part for any claims, expenses, losses or other outgoings of the Mutual (whether incurred, accrued or anticipated) and including, but not limited to, any deficiency which has occurred or may occur in respect of any Closed Indemnity Year, or so as to eliminate or reduce any Contribution in respect of any Indemnity Year past, present or future.

RULE 62. INVESTMENT

62. The funds of the Mutual may be invested by the Board or the Managers or by an investment manager appointed by the Board. The Board may from time to time and at any time lay down such guidelines for the investment of the funds of the Mutual as it shall think fit.

RULE 63. TYPES OF INVESTMENT

63. Such investments may be made by means of the purchase of 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 such accounts as the Board thinks fit, or by such other method whether producing income or not as the Board thinks fit.

RULE 64. POOLING OF INVESTMENT FUNDS

64. Unless the Board otherwise decides, the funds standing to the credit of all Indemnity Years and of any reserve or account, shall be pooled and invested as one fund.

RULE 65. ALLOCATION OF INVESTMENT GAINS AND LOSSES

65. When funds are pooled under Rule 64 (Pooling of Investment Funds), any dividends, interest or accruals of interest and any realised investment gains (including dividends or accruals of interest) or losses, arising on the pooled funds shall be credited or debited, as the case may be, to the Indemnity Year in which such gains or losses arise.

RULE 66. APPLICATION OF INVESTMENT GAINS

66. Any investment gains may be used to meet:

- 66.1. the claims, expenses, losses and other outgoings (whether incurred, accrued or anticipated) which in the opinion of the Board necessarily and properly fall on the Mutual in respect of such Indemnity Year; and/or
- 66.2. such transfers to reserves or provisions as the Board may deem it expedient to make, including transfers to reserves and provisions in respect of any deficiency which has occurred or which may be likely to occur in respect of any Closed Indemnity Year, as the Board thinks fit.

RULE 67. INVESTMENT LOSSES

67. Any investment losses shall be treated as an expense of the Mutual and may be made up by a transfer from the reserves of the Mutual or by Contribution under Rule 49 (Application of Contributions).

PART 8 COMMUNICATIONS AND NOTICES

RULE 68. WRITTEN COMMUNICATIONS

68. Unless the Member and the Mutual have otherwise agreed in writing, all communications from or on behalf of the Mutual regarding the Cover, including all communications sent in electronic form, shall be deemed to be validly served on a Member if sent to the Member or the Member's Representative using the contact details appearing in the Member's Certificate of Entry.

RULE 69. NOTICES TO BE SERVED ON THE MUTUAL

69. A notice required under these Rules to be served on the Mutual may be served:

- 69.1. by a Member from an address in the United Kingdom by sending it by
- a) first class post in a pre-paid envelope addressed to the Mutual at the Mutual's registered office for the time being; or
 - b) email to the email address provided by the Mutual to the Member from time to time;
- 69.2. by a Member with an address outside the United Kingdom by sending it by email to the email address provided by the Mutual to the Member for such purpose from time to time.

RULE 70. NOTICES TO BE SERVED ON MEMBERS

70. A notice required or permitted under these Rules to be served on a Member may be served

- 70.1. in respect of a Member with an address in the United Kingdom by sending it by first class post in a pre-paid envelope or by email addressed to such Member's Representative at the address appearing in the Certificate of Entry;

- 70.2. in respect of a Member with an address outside the United Kingdom by sending it by email addressed to such Member's Representative at the email address appearing in the Member's Certificate of Entry or that Member's Representative's last known email address.

RULE 71. DEEMED DATE OF SERVICE AND PROOF OF SERVICE

71. Any notice or other document:

- 71.1. if served by first class post to an address in the United Kingdom shall be deemed to have been served on the second working day following the day on which the letter containing the same was put in the post, and in proving such service it shall be sufficient to prove that the letter containing the notice was properly addressed and put into the post in a pre-paid envelope; or
- 71.2. if served by email shall be deemed to have been served on the day it was dispatched providing such day is a Working Day, and otherwise at 9.00am on the next Working Day following the day of dispatch, and in proving such service it shall be sufficient to prove that such email was duly dispatched to the correct email address.

PART 9 DISPUTES, GOVERNING LAW AND JURISDICTION

RULE 72. ADJUDICATION

72. If any difference or dispute between any Member and the Mutual touching any loss, claim or demand made by that Member shall arise out of or in connection with these Rules or a Certificate of Entry, such difference or dispute shall in the first instance be referred to and adjudicated by the Board, notwithstanding that the Board may have already considered the matter before any such difference or dispute arose. Such reference and adjudication shall be on written submissions only, unless otherwise agreed by the Board.

RULE 73. LONDON ARBITRATION

73. Subject to Rule 72 (Adjudication), any such dispute or difference shall be determined by arbitration in accordance with the Arbitration Act 1996.

RULE 74. SOLE ARBITRATOR – BINDING DECISION

74. Subject to Rule 73 (London Arbitration), any such dispute or difference shall be referred to a single arbitrator in London to be agreed between the parties. Failing such agreement within thirty (30) days of the request by one party to the other that a matter be referred to arbitration in accordance with this Rule, such reference shall be to an arbitrator appointed by the President for the time being of the London Chamber of Commerce. The decision of such arbitrator shall be final and binding upon the parties.

RULE 75. SOLE REMEDY

75. A Member is not entitled to bring any Court or other proceedings against the Mutual except to enforce an Arbitration Award made under Rule 74 (Sole Arbitrator – Binding Decision) in the Member’s favour.

RULE 76. GOVERNING LAW

76. Unless the Mutual and a Member agree otherwise in writing, these Rules and any other relationship between the Mutual and a Member shall be governed by and construed in accordance with the laws of England and Wales.

RULE 77. JURISDICTION

77. Subject to Rule 73 (London Arbitration) and Rule 74 (Sole Arbitrator – Binding Decision), the Commercial Court of the Queen’s Bench Division of the High Court, Rolls Building, Fetter Lane, London EC4A 1NL shall have exclusive jurisdiction under these Rules.

PART 10 GENERAL TERMS AND CONDITIONS

RULE 78. INSURANCE BY THE MUTUAL

78. The Mutual may insure the whole or any part of the risks arising in respect of individual Members upon such terms and with such insurers as the Board thinks fit.

RULE 79. TERMS OF INSURANCE

79. The Mutual may insure or cede the whole or any part of any risk of the Mutual with such insurers and on such terms as the Board thinks fit.

RULE 80. INSURANCE SUBJECT TO THE RULES

80. Subject to the provisions of the Financial Conduct Authority Handbook, any contract of insurance in respect of Mutualised Risks arranged by the Mutual for the benefit of Members will also be subject to the Rules (as applicable). To the extent that anything in the terms of such contract of insurance contradicts any provision of the Rules, then the former shall prevail.

RULE 81. NO ADMISSIONS

81. No act, omission, forbearance or conduct of the Mutual whatsoever and whensoever occurring, whether by or through its officers, servants, managers, or agents or otherwise, shall constitute any admission or promise that the Mutual will forgo any of its rights under these Rules.

RULE 82. ASSIGNMENT ONLY WITH CONSENT

82. No obligation of the Mutual and no interest under these Rules or under any contract between the Mutual and any Member may be assigned without the prior written consent of the Board. The Board has the right, in its discretion, to give or refuse such consent, without stating any reason, or to give consent upon any such terms or conditions as it may think fit.

RULE 83. SET-OFF ON ASSIGNMENT

83. The Mutual shall be entitled before causing any payment to be made to the assignee of the Member to deduct or retain such amount as the Mutual may then estimate to be sufficient to discharge any liabilities or potential liabilities of the Member to the Mutual.

RULE 84. SUBROGATION

84. Subject to Rule 85 (Subrogation – Employees), whenever a claim is made under these Rules or the Certificate of Entry, and before or after any payment is agreed or made by the Mutual, the Member shall, at the Mutual’s request and expense, take or permit to be taken in the name of the Member any steps necessarily or reasonably required by the Mutual to enforce any rights or remedies against or obtain relief or indemnity from any third parties.

RULE 85. SUBROGATION – EMPLOYEES

85. The Mutual shall not exercise any rights of subrogation against any employees of a Member, or require the assignment or transfer of any rights which that Member may have against any employee of the Member save in cases where there is an allegation of a dishonest, fraudulent, criminal or malicious act or omission by the employee. The term employee shall include ex-employees and any person acting or who has acted as an employee of or consultant to the Member without a contract of employment or contract of services. For the purposes of this Rule, an employee of a Member includes an employee of a member of a Member.

PART 11 INTERPRETATION

RULE 86. INTERPRETATION

86. In these Rules:

- 86.1. words importing persons shall include individuals, partnerships, corporations, associations and mutuals;
- 86.2. words importing the singular include the plural number and vice versa;
- 86.3. Member means, where the context requires, a Member's Representative, a Member's Voting Representative or a Member's Affiliated Body.

PART 12 DEFINITIONS

RULE 87. DEFINITIONS

87. In these Rules, unless the context requires otherwise, the following words and phrases have the specific meaning shown below:

- Affiliated Body* Any society, association, trust, foundation, school, almshouse or similar body associated with a Member.
Any body corporate wholly owned or controlled by a Member.
Any body corporate which, in the opinion of the Board, is closely connected to a Member.
- Articles of Association* The Articles of Association of the Mutual.
- Board* The Board of Directors of the Mutual for the time being.
- Certificate of Entry* The document issued by the Mutual which incorporates the Cover Wording, evidences membership of the Mutual and confirms the Member's right to apply for a claim to be considered by the Board.
- Closed Indemnity Year* An Indemnity Year of the Mutual which the Board shall have declared to be closed in accordance with Rule 57 (Closing an Indemnity Year).
- Contribution* The money payable to the Mutual by a Member.
- Cover* The Cover which a Member can apply for as set out in the Certificate of Entry and which may be given by the Mutual in the absolute discretion of the Board.
- Cover Wording* The document issued to the Member by the Mutual which sets out the terms and extent of the Cover.
- document* Includes, unless otherwise stated, any document sent or supplied in electronic form.
- electronic form* Electronic communication as defined by the Companies Act 2006, or any amendment to that Act.
- Indemnity 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 or the Mutual.
- Managers* The Managers appointed in accordance with Article 4.2 of the Articles of Association.

<i>Masonic Organisation</i>	Any entity recognised by the United Grand Lodge of England and Wales or any other Masonic organisation in the United Kingdom or elsewhere at the discretion of the Board
<i>Member</i>	A Masonic Organisation entered on the Mutual's Register of Members which is receiving Cover from the Mutual.
<i>Members Representative</i>	The officer or representative of a Member named on the Certificate of Entry, or nominated in writing by the Member and notified to the Mutual, who 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.
<i>Members Voting Representative</i>	The individual nominated in writing by the Member to attend and exercise the Member's right to vote at any general meeting of the Mutual.
<i>Membership</i>	The admission of a Member for Cover by the Mutual.
<i>Mutual</i>	The Masonic Mutual Limited.
<i>Mutualised Risks</i>	Risks where the Mutual has agreed to bear a portion of the risk as set out in the Certificate of Entry.
<i>Period of Cover Certificate</i>	The period defined in Rule 28 (Period of Cover) and as stated in the Certificate of Entry issued to a Member.
<i>Rules</i>	The document issued in accordance with Article 4.4 of the Articles of Association and any amendments to that document.
<i>Working Day</i>	Any day which is not a Saturday, Sunday or public holiday in the United Kingdom.
<i>writing of</i>	The representation or reproduction of words, symbols or other information in a visible, legible and non-transitory form by any method or combination methods, whether sent or supplied in electronic form or otherwise.