

## **Manchester Unity Friendly Society Fraternal Bonds**

### **Other Material Information relating to Conversion Plan**

*This document contains other information about the Society's Conversion Remit referred to in section 4 (The Society and what it does), section 5 (Purpose of the Offer) and section 6 (Key Features of Fraternal Bonds) of the product disclosure statement dated 22 February 2023 (PDS) for the offer of Fraternal Bonds by Manchester Unity Friendly Society open for acceptance by New Zealand resident FAB Policyholders, IAB Policyholders and IAB Endowment Policyholders (the Offer), which is considered to be material to the Offer but which is not contained elsewhere in the PDS or the register entry for the Offer*

*Capitalised terms used but not defined in this document have the meanings given to them in the PDS.*

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**A. Extracts from Board's Conversion Remit, relevant to offer and issue of Manchester Unity Fraternal Bonds, approved at Movable Conference held on 5 November 2021**

*The below extracts are taken from the Board's remit ("Conversion Remit") passed at the 2021 Movable Conference to approve the proposed conversion plan ("Conversion Plan"). Note, references to FAB and IAB Policyholders includes holders of IAB Endowment Policies.*

**"That** the Board proceeds with implementing Conversion by following the Conversion Plan set out in Appendix E.

**APPENDIX E**

**Conversion Plan**

- 1 The Conversion Plan (attached) will allow the Board to:
  - (a) take all necessary actions, execute all documents, and do all other acts, matters and things necessary or desirable, including to comply with applicable statutory and regulatory requirements, to enable the Society to implement the Conversion Plan on the proposed conversion date of 31 May 2022, or such other date as having regard to regulatory requirements and relevant practical considerations the Board may have to contend with (the *Conversion Date*), including to:
    - (i) comply with all applicable laws and regulations relating to the offer and issue of debt securities to FAB and IAB Policyholders under the Financial Markets Conduct Act 2013, including entering into a governing document for the constitution and issue of the debt securities, appointing a licensed supervisor to monitor the Society's obligations in respect of the debt securities, and giving to each FAB and IAB Policyholder a product disclosure statement or other form information disclosure document in respect of the offer to convert their interests in the FAB and IAB policies into interests in debt securities;
    - (ii) offer and issue to FAB and IAB Policyholders an interest in Debt Securities of the Society by way of conversion or exchange for their interests in the FAB and IAB Funds, on the basis summarised in section 1 of the Conversion Plan, following satisfaction of all regulatory requirements, and receipt of all relevant documentation from FAB and IAB Policyholders;
    - (iii) amend the Rules in the form of the Proposed Amendment set out in section 2 of the Conversion Plan, to facilitate the offer and issue of Debt Securities in the Society on the Conversion Date to FAB and IAB Policyholders (noting that neither this remit nor the Conversion Plan constitutes such an offer);
    - (iv) amend the Rules in the form of the Proposed Amendment set out in section 4 of the Conversion Plan, to facilitate the creation (on a business day following the Conversion Date) of a Society Members Benevolent Benefit Fund ("Benevolent Fund") for the benefit of current FAB and IAB Policyholders;

- (v) make a one-off Capital Distribution to the Benevolent Fund at a date subsequent to the Conversion Date of an amount of \$10 Million taking into account the optimal amounts of reserve allocations, and make a further Capital Distribution to the Benevolent Fund in respect of excess contributions by FAB and IAB Policyholders;
  - (vi) consider appropriate further consequential amendments to the Rules to take effect on the Conversion Date to reflect the termination, with effect on the Conversion Date, of the FAB and IAB insurance policies, or alternatively the transfer of other insurance policies issued by the Society, such amendments to the Rules to take effect on and from the Conversion Date;
  - (vii) arrange for the transfer of such of the Society's other Insurance Policies, notably Medical Policy, in accordance with the requirements of the Insurance (Prudential Supervision) Act 2010 (*IPSA*) or on such other lawful terms;
  - (viii) comply with all applicable requirements of *IPSA* as imposed by the Reserve Bank of New Zealand in respect of the Proposed Conversion and resulting termination of the Society's licence to act as an insurer following completion of the Proposed Conversion;
  - (ix) attend to such further matters as may be necessary or incidental to the implementation of the Conversion Plan, including, by way of example, establishing a process for dealing with cash amounts or other interests due to members who cannot be contacted; and
- (b) make consequential changes to the Conversion Plan, including the Conversion Date and the actuarial calculations based on that Conversion Date, as it may deem necessary or appropriate to address regulatory requirements, the requirements or expectations of a regulator, timing issues or arrangements with third parties.

## **Conversion Plan**

### **1 Convert FAB and IAB Policyholders' interests in FAB and IAB Funds into Society debt securities - Conversion Treatment and Administration**

If the Proposed Conversion is approved and proceeds, the Board proposes that FAB and IAB Policyholders convert their interests in the FAB and IAB Funds into debt securities to be offered and issued by the Society at the actuarial value of the FAB or IAB Policyholder's policy on the Conversion Date (expected to be 31 May 2022), on terms and conditions as below, to be payable on the member's death or maturity and in accordance with the Rules.

#### *Terms and conditions of debt securities*

The terms and Conditions of Debt Securities shall match as closely as practically possible:

- (i) the interests of the FAB and IAB Policyholders in the FAB and IAB Funds, and
- (ii) the requirements of Society's Rules and historical Board determinations and practices for the FAB and IAB policyholders in the FAB and IAB Funds, (subject to, and with the benefit of the terms and conditions of the Debt Security deed to be entered into by the Society and the appointed licensed supervisor), including that:

- (a) the Debt Securities will be payable on the holder's death or maturity date of their IAB endowment (provided they remain a member of the Society at that time);
- (b) the Debt Securities may be credited each year with interest, at a rate determined in accordance with the Deed of Debt Security (which interest rate may, without limitation, be set by reference to the amount of surplus appropriated to the Debt Securities at the sole discretion and by resolution of the Board of Directors); and
- (c) the Debt Securities will be subject to the same requirements of the Society established through long practice that should a holder of a benefit fund cease to be a member for any reason, other than death or maturity, the balance held in that members benefit fund account at the time that they cease to be a member would be added to the next appropriation for distribution to the other members who hold that benefit fund (It has been Society's long-standing practice that a pre-condition for joining and remaining in membership is for the holder to purchase and retain their FAB/IAB. Relinquishing membership would mean that pre-condition is no longer satisfied, and the member will lose their FAB/IAB).

## 2 **Proposed Amendment to permit issue of debt securities**

In accordance with G.R. 60(2) of the Rules, the Board proposes the following new G.R. [398]

### **"39B SOCIETY DEBT SECURITIES**

- (1) *If, at any time the Society terminates the Funeral Assurance Benefit (FAB) and Increasing Assurance Benefit (IAB) Funds referred to in G.R. 27 and G.R. 32, [and/or ceases to be a licensed insurer], the Society shall be permitted, in place of such FAB and IAB Funds, to constitute, and issue [interests in] debt securities ("Debt Securities") to FAB and IAB Policyholders by way of conversion or exchange of their interests in such funds to interests in Debt Securities of such value as at the conversion date as calculated by the Actuary and as required and in accordance with all applicable laws and regulations.*
- (2) *Any Debt Securities issued by the Society shall be constituted in accordance with a deed of Debt Security that will be entered into by the Society and the appointed licensed supervisor, and will be issued on such terms as regards repayment as most closely align to the terms on which the FAB an /AB Policyholders insured benefits were to be paid, including that:*
  - (a) *the principal amount of, and any accrued interest on, such Debt Security shall be paid to the estate of the holder of the Debt Security, upon the Society receiving written notice and evidence of the death of the holder of the Debt Security; and*
  - (b) *the Debt Securities may be credited each year with interest, at a rate determined in accordance with the Deed of Debt Security (which interest rate may, without limitation, be set by reference to the amount of surplus appropriated to the Debt Securities by resolution of the Board of Directors)*
  - (c) *Should a holder of a Debt Security cease to be a member for any reason, the balance held in that members Debt Securities account at*

*the time that they cease to be a member would be added to the next appropriation for distribution to the other members who hold Debt Securities.*

(3) *All payments in respect of the Debt Securities shall be made by Society.*

**3 One-Off appropriation of \$10 million from capital reserves to a new Benevolent Benefit Fund (Funeral Benefit) - Conversion Treatment and Administration**

If the Proposed Conversion is approved and proceeds, the Society will make a one-off distribution of capital reserves (whether realised or unrealised), into a new Benevolent Benefit Fund (Funeral Fund) in the Society, for the benefit of FAB and IAB Policyholders, using each policyholder's years of membership in the Society up to the Conversion Date (scheduled to be 31 May 2022) as the basis for the distribution amount, to be payable on the member's death (assuming they remain a member) and in accordance with the Rules of the new benevolent fund.

The new benevolent fund shall be called the Society Members Benevolent Fund (Funeral Benefit).

The current calculation (based on 31 May 2021 accounts) for this one-off capital distribution of reserves to the new Benevolent Benefit Fund is \$23.16 per year for each FAB and IAB Policyholder's membership up to the Conversion Date (currently of 31 May 2022).

**4 Proposed Amendment to Rules for the creation of the Society Members ' Benevolent (Funeral Benefit) Fund Funeral Benefit**

In accordance with G.R. 60(2) of the Rules, the Board proposes the following new G.R. [39A]

**"G.R. [39A] SOCIETY MEMBERS [BENEVOLENT BENEFIT] FUND**

- (1) *If, at any time the Society terminates the Funeral Assurance Benefit (FAB) and Increasing Assurance Benefit (IAB) Funds referred to in G.R. 27 and G.R. 32, the Society shall create a share fund called "Society Members [Benevolent Benefit] Fund" for the benefit of FAB and IAB Policyholders.*
- (2) *If the [Benevolent Benefit] Fund is created in accordance with G.R 39A(1), then subsequent to the date on which the FAB and IAB Funds are terminated (the Conversion Date), the Society will credit to the [Benevolent Benefit] Fund a one-off distribution of capital reserves, calculated at a rate per member per year of membership in the FAB and IAB Funds approved by the Board, up to the Conversion Date.*
- (3) *The [Benevolent Benefit] Fund may be credited each year with an amount of surplus appropriated to it by resolution of the Board of Directors acting in their sole discretion, and the individual member's account shall be credited with its share of any such appropriation.*
- (4) *The [Benevolent Benefit] Fund shall be managed on behalf of the Society by the Board of Directors in accordance with these Rules.*
- (5) *The accumulated amount (including appropriations credited) in a member's [Benevolent Benefit] Fund account shall be payable on the death of the*

*member PROVIDED HOWEVER that any member who has attained the age of 65 years AND has completed not less than 40 years of continuous membership may make a written request to the Society Office for payment of the amount held in that member's [Benevolent Benefit] Fund account at the time of receipt of such written request and payment may be made accordingly. The Society Office shall make a recommendation to the Board of Directors in relation to any such request.*

- (6) Should a member cease to be a member for any reason whatsoever (including resignation or striking off) the balance held in that members [Benevolent Benefit] Fund account at the time they cease to be a member shall be added to the next appropriation for distribution to the other members of the [Benevolent Benefit] Fund.*
- (7) If any member of the [Benevolent Benefit] Fund shall be in arrears of their membership and/or benefit fund contributions then the Society Office may make a recommendation to the Board of Directors, if it deems to be in the best interests of the member, to pay such contributions by debiting the [Benevolent Benefit] Fund balance of that member.*
- (8) All payments from the [Benevolent Benefit] Fund shall be made by Society.*

## **5 Compensation for excess contributions to FAB and IAB - Conversion treatment and administration**

If the Proposed Conversion is approved and proceeds, the Society will allocate reserves to the Society Members Benevolent Benefit Fund for each FAB and IAB Policyholder who has excess contributions in their FAB or IAB policy (that is, when an FAB or IAB policy's total contributions plus bonuses exceed its actuarial calculation (being the value calculated by the Actuary on the Conversion Date)).

Such reserves will be added to the FAB/IAB policyholders' Benevolent Benefit Fund account and will be paid on the death of that member and in accordance with the Rules of the new Benevolent Benefit Fund.

The administration Rules of the Society Members [Benevolent Benefit] Fund shall apply to this allocation.

## **B. Consequential changes to Conversion Plan approved by Board of Directors since 2021 Movable Conference**

The Board's remit ("Conversion Remit") passed at the 2021 Movable Conference to approve the proposed conversion plan ("Conversion Plan") anticipated that changes would likely need to be made to the Conversion Plan to address regulatory and operational matters as the implementation phase progressed, and the Board was authorised to make such consequential changes to the Conversion Plan as it may deem necessary or appropriate to address regulatory requirements, the requirements or expectations of a regulator, timing issues or arrangements with third parties, and to attend to such further matters as may be necessary or incidental to the implementation of the Conversion Plan.

Since the Conversion Remit was passed, the Board has approved a number of changes to the Conversion Plan as contemplated by the authority provided in the Conversion Remit, including in relation to the terms of the debt securities (the Fraternal Bonds) to be offered to FAB, IAB and IAB Endowment Policyholders, in order to address such regulatory and operational issues.

These changes are summarised below:

- **Cash out offer as an alternative to accepting offer of Fraternal Bonds:** The Board approved a change to the Conversion Plan to provide an option for Policyholders to receive (in respect of an IAB Policy and an IAB Endowment Policy) a cash-out payment at the surrender value of their Policy or (in respect of an FAB Policy, which has no surrender value) a cash out payment at an amount calculated by applying the same methodology as applied to calculate surrender values of IAB and IAB Endowment Policies. This change is reflected in the G.R.39D(4)(b), which is set out at the end of this summary.
- **Policyholders who do not accept offer of Fraternal Bonds do not meet eligibility criteria for proposed Benevolent Benefit Fund:** New Zealand resident FAB, IAB and IAB Endowment Policyholders who do not wish to accept an offer of a Fraternal Bond upon conversion of their Policy (or who do not respond to the offer by completing an election form within the required time period) will have the right to be paid the cash-out amount. However, these Policyholders will **not** be entitled to a benefit under the Benevolent Benefit Fund proposed to be established by the Board under the Rules. This is because the purpose of the Benevolent Benefit Fund is to provide benefits for FAB, IAB and IAB Endowment Policyholders who are issued a Fraternal Bond upon conversion. More information about the Benevolent Benefit Fund is set out below, and in G.R.39C which is set out at the end of this summary.
- **Overseas Policyholders to receive cash payment at Policy conversion value:** Due to the significant costs of complying with the foreign securities laws that would be incurred if Fraternal Bonds were to be offered to overseas resident Policyholders (*Overseas Policyholders*), the Board has made the decision that Overseas Policyholders will not be offered Fraternal Bonds, but will instead be entitled to a cash payment at the equivalent of the conversion value of their FAB, IAB or IAB Endowment Policy (*Overseas Cash-Out Offer*). This change is reflected in the G.R.39D(4)(a) which is set out at the end of this summary.

- **Principal Amount/Conversion Value:** The principal amount of each Fraternal Bond will be equal to:
  - \$50 (for those Policies where the conversion value is calculated to be less than \$50); or
  - for all other Policies, the value of the Society's liability under, and the Policyholder's interest in, that Policy on the issue date of the Fraternal Bonds, as calculated by the Society's Actuary (representing the Policyholder's share of the IAB Fund or FAB Fund (as applicable)), after deducting any overdue and unpaid premiums on the Policy.

Each Policyholder can separately elect the Fraternal Bond or the cash-out amount for each Policy they hold.

- **Interest that may be applied to the Fraternal Bonds:** Subject to the Board's discretion to determine that no interest will be applied to the Fraternal Bonds for an annual interest period (see below), interest will be applied to the Fraternal Bonds on the last day of each interest period (the *Interest Application Date*), or the Fraternal Bond's maturity date (if it occurs earlier) at the interest rate set by the Board for that Interest Period. Importantly, interest on the Fraternal Bonds will **not** be by way of appropriation of the Society's surplus profits.

The interest rate for each Interest Period will be set by the Board at the base rate of 1% adjusted by a margin (which may be positive or nil) determined in accordance with the Board's Interest Rate Setting Policy (which may be amended from time to time).

Interest at the applicable interest rate will be applied (after deducting resident withholding tax) to the principal amount of each the Fraternal Bond, thereby increasing the total amount (the *Outstanding Amount*) that will be payable upon maturity of the Fraternal Bond.

The Board will have a discretion in any Interest Period to determine that no interest will be applied to the Fraternal Bonds for that Interest Period, if the Board reasonably considers that it is in the Society's best interests that no interest be applied to the Fraternal Bonds for that Interest Period.

- **Early Redemption Option:** The maturity date of a Fraternal Bond could be many years in the future. The Board has therefore resolved to introduce an early redemption option that will allow Bondholders to elect to redeem their Fraternal Bond (at a discount to the Outstanding Amount of the Fraternal Bond as explained below) on an Early Redemption Date that will occur once every three years (unless the Board of the Society exercises its discretion, in certain circumstances, to suspend or cancel such early redemptions on any such Early Redemption Date).

The Early Redemption Amount of a Fraternal Bond will be calculated by applying the same discount to the Outstanding Amount of that Fraternal Bond as was applied to determine the alternative cash out payment in respect of that Policy at conversion.

- **Society's right to pay the Bonds early:** To provide the Society with the flexibility in certain circumstances to pay the Outstanding Amount of the



Fraternal Bonds before their Maturity Dates, the Board has resolved that the Fraternal Bonds will be subject to a term allowing the Society to pay the Outstanding Amount of all remaining Fraternal Bonds at any time that:

- the total amount remaining outstanding in respect of the Fraternal Bonds is less than \$10,000,000.00 (or an adjusted amount approved by Members as described below); or
  - the Society has determined (by approval of Members in accordance with the Rules of the Society) to reorganise its business structure, or to transfer all or part of its business, or to adjust the \$10,000,000.00 threshold referred to above.
- **Fraternal Bonds are not transferable:** Consistent with the member-based nature of other Society products, the Fraternal Bonds are personal to Holders and are not transferable.
  - **Financial Membership of the Society is a condition of the Bonds:** Consistent with entitlements in respect of Society share funds, and as referred to in the Conversion Remit, if a Fraternal Bondholder ceases to be a financial member of the Society prior to the Fraternal Bond's maturity date, that Fraternal Bond will be cancelled and the Fraternal Bondholder will have no entitlement to receive any payment in respect of the principal and interest applied in respect of their Fraternal Bond.
  - **Subordinated debt:** The Conversion Remit did not expressly address the ranking for payment of the debt securities if the Society was to become insolvent. The Board is of the view that the debt securities should not rank for payment ahead of other members' rights (for example in respect of their share fund entitlements). Therefore the Fraternal Bonds will be issued on a "subordinated" basis – that is, they will rank for payment (in an insolvency) after all non-member creditors of the Society have been paid, and (it is assumed) equally with Members' other interests in the Society's share funds and the proposed new Benevolent Benefit Fund.

**Changes to the Rules of the Society relating to the issue of debt securities:** The Board approved a number of Rule changes to facilitate the Conversion Plan, including in relation to the terms of the Fraternal Bonds and the proposed new Benevolent Benefit Fund (the *Rule Changes*). These Rule changes have been registered with the Registrar of Friendly Societies.

The new Rule 39D addressing the issue of debt securities upon conversion of the FAB, IAB and IAB Endowment Policies is as follows (differences from the proposed Rule referred to in the Conversion Plan are in bold type and references to FAB and IAB Policyholders includes holders of IAB Endowment Policies):

#### **39D. SOCIETY DEBT SECURITIES**

- (1) If, at any time the Society terminates the Funeral Assurance Benefit (FAB) and Increasing Assurance Benefit (IAB) Funds referred to in G.R. 27 and G.R. 32, **and the policies of insurance referable to them**, the Society shall be permitted, in place of such FAB and IAB Funds **and related policies of insurance**, to constitute, offer and issue debt securities ("Debt Securities") to **New Zealand resident** FAB and IAB Policyholders by way of conversion or exchange of their interests in such funds to interests in Debt Securities of such value as at the conversion date as calculated by the Actuary and as required and in accordance with all applicable laws and regulations.

- (2) Any Debt Securities issued by the Society shall be constituted in accordance with a deed of Debt Security that will be entered into by the Society and the **Supervisor**, and will **(without limitation as to the terms of the Debt Security which the Board determines are reasonably appropriate in the circumstances, reflecting the nature of the Debt Securities to be issued)** be issued on such terms as regards repayment as most closely align to the terms on which the FAB and IAB Policyholders insured benefits were to be paid **(subject to any additional payment terms that may be necessary or desirable for regulatory compliance, or the convenient administration of the debt securities and the Society's business)**, including that:
  - (a) the principal amount of, and any accrued interest on, such Debt Security shall be paid:
    - (i) to the estate of the holder of the Debt Security, upon the Society receiving written notice and evidence of the death of the holder of the Debt Security;
    - (ii) **to the holder of the Debt Security, upon the Society receiving written notice and evidence of the death of the holder's spouse, if the holder is over 75 years of age and held a policy referable to the FAB fund; or**
    - (iii) **on the date that the policy would have matured if it had remained in force, if the holder of the debt security formerly held an endowment policy referable to the IAB fund;**
  - (b) the Debt Securities may be credited each year with interest, at a rate determined in accordance with the Deed of Debt Security; and
  - (c) should a holder of a Debt Security cease to be a member for any reason, the balance held in that members Debt Securities account at the time that they cease to be a member would **be forfeited to the Society**.
- (3) All payments in respect of the Debt Securities shall be made by Society.
- (4) **The Board may, at its sole discretion, resolve that the Society should pay (or make provision to pay), and the Society may pay (or make provision to pay):**
  - (a) **any FAB or IAB Policyholder outside of New Zealand to whom it would be unduly onerous to make the offer of Debt Securities, an amount reasonably determined by the Board, in consultation with the Society's Actuary; and**
  - (b) **any FAB or IAB Policyholder to whom the offer of Debt Securities is made, but who does not accept the offer of Debt Securities, a cash amount representing:**
    - i. **in the case of an IAB Policyholder, the surrender value of that member's IAB Policy calculated by the Actuary; and**
    - ii. **in the case of an FAB Policyholder, a cash amount calculated on a similar basis to the surrender value of IAB Policies.**

- **Changes to the Rules relating to the Benevolent Benefit Fund:** The Conversion Remit referred to the work programme to implement the Conversion Plan including to "establish, and make capital appropriations to, a new Benevolent Benefit Fund for the benefit of members who are currently IAB, FAB and FAB Endowment Policyholders who convert at the conversion date". This illustrates the intention of the Board that in order to receive a benefit from the Benevolent Benefit Fund, a Policyholder must convert their Policy to debt securities in accordance with the Conversion Plan.

However, at the time of the Conversion Remit, the alternative cash-out option had not been approved by the Board. With this new option, there is a prospect that some New Zealand resident Policyholders may elect, or be deemed to have elected, to receive the cash-out payment instead of being issued a Fraternal Bond. A

clarificatory amendment to the Rule change proposed in the Conversion Remit providing for the Benevolent Benefit Fund was therefore required to be made.

The new Rule 39C addressing the issue of debt securities upon conversion of the FAB and IAB Policies as approved by the Board is as follows (differences from the proposed Rule referred to in the Conversion Plan are in bold type, and references to FAB and IAB Policyholders includes holders of IAB Endowment Policies):

### **39C BENEVOLENT BENEFIT FUND**

- (1) If, at any time the Society terminates the Funeral Assurance Benefit (FAB) and Increasing Assurance Benefit (IAB) Funds referred to in G.R. 27 and G.R. 32, **the Board is empowered** to create a share fund called "Benevolent Benefit Fund" for the benefit of **former FAB and IAB Policyholders who become holders of debt securities in the Society in accordance with Rule 39D.**
- (2) If the Benevolent Benefit Fund is created in accordance with G.R 39C(1), then subsequent to the date on which the FAB and IAB Funds are terminated (the Conversion Date), the Society **may** credit to the Benevolent Benefit Fund a one-off distribution of capital reserves, calculated at a rate per member per year of membership in the FAB and IAB Funds approved by the Board, up to the Conversion Date, **and an amount equal to any excess premiums paid by former FAB and IAB Policyholders.**
- (3) The Benevolent Benefit Fund may be credited each year with an amount of surplus appropriated to it by resolution of the Board of Directors acting in their sole discretion, and the individual member's account shall be credited with its share of any such appropriation.
- (4) The Benevolent Benefit Fund shall be managed on behalf of the Society by the Board of Directors in accordance with these Rules.
- (5) The accumulated amount (including appropriations credited) in the member's Benevolent Benefit Fund account shall be payable on the death of the member PROVIDED HOWEVER that any member who has attained the age of 65 years AND has completed not less than 40 years of continuous membership may make a written request to the Society Office for payment of the amount held in that member's Benevolent Benefit Fund account at the time of receipt of such written request and payment may be made accordingly. The Society Office shall make a recommendation to the Board of Directors in relation to any such request.
- (6) Should a member cease to be a member for any reason whatsoever (including resignation or striking off) the balance held in that members Benevolent Benefit Fund account at the time they cease to be a member shall be added to the next appropriation for distribution to the other members of the Benevolent Benefit Fund.
- (7) If any member of the Benevolent Benefit Fund shall be in arrears of their membership and/or benefit fund contributions then the Society Office may make a recommendation to the Board of Directors, if it deems to be in the best interests of the member, to pay such contributions by debiting the Benevolent Benefit Fund balance of that member.

All payments from the Benevolent Benefit Fund shall be made by Society.

### **C. The Rules of the Society**

A copy of the Rules of the Society, and copies of amendments to the Rules can be found on the Register of Friendly Societies at  
<https://www.companiesoffice.govt.nz/all-registers/search-other-registers/>