

# CONSTITUTIONAL ARRANGEMENTS BYELAW –

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## **Purpose:**

The purpose of this Byelaw is to make provisions for the Society's constitutional and governance arrangements including the duties and responsibilities of Council members and the proper and orderly conduct of -

1. Council meetings;
2. elections to the Council; and
3. general meetings of the members, including the Annual General Meeting.

This Byelaw also revokes –

1. the Council Byelaw (No. 18 of 1996);
2. the Annual and Extraordinary General Meetings Byelaw (No. 17 of 1996);
3. the Quorums and Appointments of Committees and Sub-Committees Byelaw (No. 8 of 1992);  
and
4. the Suspension from Membership of the Council and any Sub-Committee Byelaw (No. 16 of 1983).

## **Amendments**

This byelaw was amended by:

Constitutional Arrangements Amendment Byelaw (No.2 of 2019)

Words and terms shown in italics have the meaning set out in the Definitions Byelaw.

This Byelaw was made by the Council on 6 December 2010 in exercise of its powers under sections 3, 6(2) and 6(4)(d) of, and paragraphs (5) to (11) inclusive of Schedule 2 to, Lloyd's Act 1982 and may be referred to as the Constitutional Arrangements Byelaw (No. 2 of 2010).

The headings and these notes are for guidance only and do not form part of the Constitutional Arrangements Byelaw.

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## Part A – Constitutional Requirements

1. Schedule 1 to this Byelaw (the “*constitutional requirements*”) contains the constitutional and governance arrangements of the *Society*.
2. This Byelaw shall come into force on 7 December 2010.

## Schedule 1

### Constitutional requirements

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## Part 1 Objects of the Society

1.1 The objects of the *Society* are as provided by section 4 of Lloyd's Act 1911, namely –

the carrying on by *members* of the *Society* of the business of insurance of every description including guarantee business;

the advancement and protection of the interests of *members* of the *Society* in connection with the business carried on by them as *members* of the *Society* and in respect of shipping and cargoes and freight and other insurable property or insurable interests or otherwise;

the collection, publication and diffusion of intelligence and information;

the doing of all things incidental or conducive to the fulfilment of the objects of the *Society*.

## Part 2 Composition of the Council of Lloyd's

### Number and Membership of the Council

- 2.1 The maximum number of members of the *Council* shall be 15 and shall comprise no more than –
- (a) 3 *working members of the Council*;
  - (b) 2 *corporate external members of the Council*;
  - (c) 1 *individual external member of the Council*; and
  - (d) 9 *nominated members of the Council* which shall include the three executive officers of Lloyd's who have respectively been appointed by the *Council* as the Chief Executive Officer of Lloyd's, Performance Management Director of Lloyd's and Chief Financial Officer of Lloyd's (together the "Executive Officers").

## Part 3 Duties and responsibilities of Council members

### Duties

- 3.1 A member of the *Council* must –
- (a) act in accordance with the Lloyd's Acts 1871-1982, the *requirements of the Council* including these *constitutional requirements*; and
  - (b) only exercise powers for the purposes for which they are conferred.
- 3.2 A member of the *Council* must act in the way he considers, in good faith, would be most likely to promote the success of the *Society* for the benefit of the *members* as a whole and in accordance with the *Objects of the Society* and in so doing have regard (amongst other things) where relevant and so far as reasonably practicable, to –
- (a) the likely consequences of any decision in the long term;
  - (b) the need of the *Society* –
    - (i) to foster business relations with those who do business at Lloyd's;
    - (ii) to have regard to the interests of its employees;
    - (iii) to consider the impact of its operations on the community and the environment;
    - (iv) to maintain a reputation for high standards of business conduct;



- (c) the need to act fairly as between different *members* and categories or classes of *members* who may have different interests; and
- (d) the *Council's governance policies* and such strategies which may from time to time be adopted by the *Council*.

#### Responsibilities

- 3.3 A member of the *Council* must exercise independent judgment and must exercise reasonable care, skill and diligence which means the care, skill and diligence that would be exercised by a reasonably diligent member of the *Council* with –
- (a) the knowledge, skill and experience that may reasonably be expected of a member of the *Council*; and
  - (b) any additional or particular knowledge, skill or ability that the member of *Council* in fact has.

#### Conflicts of interest

- 3.4 For the purposes of paragraph 3.5 to 3.6 a conflict of interest shall mean a situation in which a member of *Council* has, or can have, a direct or indirect interest that conflicts, or is likely to conflict, with the interests of the *Society* other than by reason that the matter affects the general interests of those members with the right to vote for that member of *Council*.
- 3.5 A member of *Council* must declare a conflict of interest in advance of the matter being considered by the *Council* in accordance with such procedures as the *Council* may from time to time prescribe and the *Council* member shall not participate in a decision of the *Council* unless the *Council* otherwise agrees.
- 3.6 A member of *Council* shall avoid situations such that he would not be able to participate in a significant number of decisions of the *Council* by reason of a conflict of interest.

#### Collective responsibility

- 3.7 A member of the *Council* shall not publicly disagree with a decision reached by the *Council* unless the *Council* gives prior permission to that member of the *Council*.

#### Confidentiality and publication

- 3.8 Discussions at meetings of the *Council* and any record of discussions will remain in confidence unless the *Council* determines otherwise either generally or in respect of a specific matter and the *Council* member shall not use or disclose confidential information he receives in his capacity as a *Council* member for any purpose other than with respect to his duties and responsibilities as a *Council* member (other than where the *Secretary to the Council* has agreed in writing that he may use or disclose that confidential information).

#### Undertakings

- 3.9 The *Council* may require each member of the *Council* to provide an undertaking or declaration in such form and in such terms as the *Council* may require, including an undertaking or declaration to ensure that the member of the *Council* maintains suitable standards of conduct and confidentiality when acting as a member of the *Council*.

## Part 4 Council proceedings

Council's authority to manage the Society

- 4.1 In accordance with Section 6(2), Lloyd's Act 1982, the *Council* –
- (a) shall have the management and superintendence of the affairs of the *Society* and the power to regulate and direct the business of insurance at Lloyd's; and
  - (b) may exercise all the powers of the *Society*.

Delegation and acting by

- 4.2 The *Council* may, by *special resolution*, delegate the exercise of such of its powers and functions as are not required to be exercised by *special resolution* to any one or more of the following -
- (a) committees, sub-committees or other bodies of persons (whose members need not be *members*);
  - (b) any employee or officer of the *Society*; or
  - (c) any other person (whether or not a *member*)

and such delegation may be made to such an extent and on such conditions or subject to such restrictions as the *Council* considers appropriate.

- 4.3 A delegation under paragraph 4.2 may be amended or revoked by *special resolution* of the *Council* and shall not prevent the exercise of a power or performance of a function by the *Council* itself.
- 4.4 Nothing in paragraphs 4.2 and 4.3 shall operate to limit the power of the *Council* to act by persons, committees, sub-committees or other bodies of persons whose members may include persons who are not *members*, or by the employees or officers of the *Society*. The *Council* may appoint such agents and may at any time withdraw or revoke any appointment as agent in whole or part, or alter the terms of such appointment.
- 4.5 A delegation under paragraph 4.2 or an agency appointment under paragraph 4.4 may permit sub-delegation or a sub-agency appointment in respect of the exercise of that power or function.

- 4.6 The *Council* may make rules of conduct and procedure for anyone to whom it delegates powers and functions under paragraph 4.2 (or to whom those powers and functions have been sub-delegated) and any agent through whom the *Council* acts under paragraph 4.4.

#### Chairman and Deputy Chairmen

- 4.7 The *Council* shall annually elect by *special resolution* from among the members of the *Council* (other than the Executive Officers) a Chairman of the *Council*, who shall be called the “Chairman of Lloyd’s”, and two or more Deputy Chairmen of the *Council*, each of whom shall be called a “Deputy Chairman of Lloyd’s”. Subject to paragraph 4.8, a person elected as Chairman or Deputy Chairman of Lloyd’s may, but need not, be a *member* of the *Society*.
- 4.8 Where the person elected as Chairman of Lloyd’s is not a *working member of the Society*, at least one of the Deputy Chairmen must be elected from among the *working members of the Council*.
- 4.9 Meetings of the *Council* shall be chaired by the Chairman of Lloyd’s, a Deputy Chairman of Lloyd’s or such other member of the *Council* as the *Council* may determine.

#### Notice of meetings

- 4.10 The *Council* shall meet at such intervals and at such times as it may determine from time to time or when a meeting of the *Council* has been called by the Chairman of Lloyd’s, a Deputy Chairman of Lloyd’s, or by any five members of the *Council*. Where a meeting of the *Council* is so called the *Secretary to the Council* shall give notice of that meeting in accordance with paragraph 4.11.
- 4.11 A meeting is called by giving reasonable notice, and not less than 24 hours’ notice, of the meeting to members of the *Council* and notice of the meeting –
- (a) must indicate the proposed date, time and place of the meeting;
  - (b) subject to sub-paragraph (c) below, must be given to each member of the *Council*, but need not be in writing;
  - (c) need not be given to a member of the *Council* to whom it is not reasonably possible to give reasonable notice.

- 4.12 In fixing the date and time of any *Council* meeting, the *Council* or the *person* calling the meeting must try to ensure, subject to the urgency of any matter to be decided by the *Council* and the period of notice to be given, that as many *Council* members as practicable are likely to be available to participate in the meeting.

#### Participation in meetings

- 4.13 Subject to these *constitutional requirements*, members of the *Council* participate in a *Council* meeting, or part of a *Council* meeting, when –
- (a) the meeting has been called and takes place in accordance with these *constitutional requirements*; and
  - (b) they can each communicate to the others any information or opinions they have on any particular item of the business of that meeting.
- 4.14 In determining whether members of the *Council* are participating in a *Council* meeting, it is irrelevant where any member of the *Council* is or how they communicate with each other.
- 4.15 If all the members of the *Council* participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

#### Quorum

- 4.16 The quorum for *Council* meetings shall be seven members of the *Council*, of which at least three shall be *nominated members of the Council* and at least three shall be members of the *Council* who are not *nominated members of the Council*, save that a resolution may only be made in accordance with the provisions at paragraphs 4.19 to 4.21 below.
- 4.17 A member of the *Council* who, in accordance with paragraph 3.5 may not participate in a decision of the *Council* shall not be counted for quorum or voting purposes.
- 4.18 At a *Council* meeting, unless a quorum is participating (in accordance with paragraphs 4.13 to 4.15), no proposal shall be voted on, except a proposal to call another meeting.

Resolutions made at a meeting

- 4.19 Each member of the *Council* participating in a *Council* meeting has one vote.
- 4.19A If, following discussion of a matter at a *Council* meeting, 6 or more members of the *Council* participating in the discussion consider that the matter should be subject to market consultation before a decision is made on it, the *Council* shall-
- (a) put that matter to the board of the relevant market association for discussion or to such appropriate market consultation as the *Council* shall agree having regard to any previous consultation, the market participants affected by the decision and the urgency of the matter; and
  - (b) take account of the feedback to the consultation when the matter is brought back to *Council* for decision. The provisions of this paragraph cannot be reapplied to that decision.
- 4.20 An ordinary resolution is made at a *Council* meeting when a majority of the members of the *Council* participating in the *Council* meeting vote in favour of the resolution.
- 4.21 A *special resolution* is made at a *Council* meeting when a majority of both –
- (a) all the *working members of the Council* for the time being; and
  - (b) all the members for the time being of the *Council* who are not *working members of the Council*;
- vote in favour of the resolution.

Resolutions not made at a meeting

- 4.22 A *Council* written resolution may be proposed by the Chairman of Lloyd's, a Deputy Chairman of Lloyd's or by any five members of the *Council*.
- 4.23 A *Council* written resolution is proposed by giving notice in writing of the proposed resolution to each member of the *Council*.
- 4.24 Notice of a proposed *Council* written resolution must set out –
- (a) the proposed resolution; and
  - (b) the time by which it is proposed that the members of the *Council* should adopt it.

4.25 A *Council* written resolution is made when –

- (a) in the case of a *special resolution*, it is agreed by a majority of both all the *working members of the Council* for the time being and all the members for the time being of the *Council* who are not *working members of the Council*; or
- (b) in any other case, it is agreed by not less than seven members of the *Council* of which at least three are not *nominated members of the Council*,

save that where any member of the *Council* objects to a decision being made pursuant to this paragraph, the proposed resolution shall be referred to the next meeting of the *Council*.

4.26 Once a *Council* written resolution has been adopted, it shall be treated as if it had been a decision taken at a meeting of the *Council*.

Discretion to make further rules

4.27 Subject to these *constitutional requirements*, the *Council* may make any rule which it thinks fit in respect of how it takes decisions and the conduct of meetings of the *Council*.

## Part 5 Election and appointment of Council members

### Terms of office

- 5.1 The term of office of a member of the *Council*, other than the members of the *Council* who are the Executive Officers, shall be a period of three years other than where –
- (a) by reason of paragraph 5.27 of these *constitutional requirements* the member of *Council* may only serve a shorter period; or
  - (b) prior to the commencement of the term of office the *Council* sets a shorter period,

and the term of office of any member of the *Council* shall not be extended during that term of office.

### External and working members

#### Elections

- 5.2 Subject to these *constitutional requirements*, the *Council* may from time to time make such rules, directions or requirements as it thinks fit for the proper and orderly conduct of an election in respect of any vacancy or vacancies that arise or are due to arise on the *Council*.

#### Timetable for elections

- 5.3 The *Council* shall set a timetable in respect of an election in respect of any vacancy that has arisen or is due to arise on the *Council* which shall include –
- (a) the date on which it shall send the *notice of election* to *members* in respect of the vacancy that has arisen or is due to arise on the *Council*;
  - (b) the date by which nomination forms are to be received from candidates in order to be valid (the “*nominations date*”) which date shall not be less than 14 days from the date on which the *notice of election* was sent;
  - (c) the date by which the *Council* shall send notice to *members* of the names of the eligible candidates who are standing in a contested election (the “*notice of candidates date*”);
  - (d) if relevant, the day on which each *external member’s voting capacity* for the purpose of the ballot shall be determined (“*the voting record date*”); and



- (e) the date by which completed ballot papers shall be received in order to be eligible to be counted for the purposes of the election (the “*ballot date*”) which date shall be not less than 28 days from the *notice of candidates date*.

#### Notice of election

- 5.4 *Notice of election* shall be sent to each *member* of the *Society* who is a *member* of the *Society* on the date that the *notice of election* is due to be sent save that *notice of election* need not be sent to a *member* who will cease to be a *member* on or before the *ballot date*.
- 5.5 The *notice of election* shall be in such form and contain such matters as the *Council* may determine which may include (without limitation) –
  - (a) a description of the number and class or category of vacancies on the *Council* in respect of which there is to be an election, and the date on which the term of office for each vacancy commences and the period of each term of office;
  - (b) details of the place at which nomination forms can be obtained and the *nominations date*; and
  - (c) the *ballot date*.

#### Eligibility for election to Council

- 5.6 Any *member* who is eligible to receive a *notice of election* and who, as at the date the *Council* is to send the *notice of election*, is –
  - (a) a *working member of the Society* may (subject to being nominated in accordance with paragraph 5.11) stand for election as a *working member of the Council*;
  - (b) an *individual external member of the Society* may (subject to being nominated in accordance with paragraph 5.12) stand as a candidate for election as an *individual external member of the Council*;
  - (c) a *C-external member of the Society* may (subject to being nominated in accordance with paragraph 5.13) stand as candidate for election as a *C-external member of the Council*.

Nominated representative of a corporate member

- 5.7 A *corporate member* who is standing for election shall notify the *Secretary to the Council* of the name of an individual who is a member of its governing body (or in the case of a partnership, is a partner in the partnership or is a member of the governing body of a body corporate which is a general partner in the partnership) and which the *corporate member* has authorised to be its nominated representative and who will, if the *corporate member* is elected, act as its nominated representative on *Council*. A *corporate member* shall not authorise an individual to be its nominated representative where that individual –
- (a) is the nominated representative of another *corporate member* that is a member of the *Council* or is the nominated representative of another *corporate member* that is standing for election to the *Council*;
  - (b) is or will be a member of the *Council*; or
  - (c) is or will be ineligible to act as the corporate member's nominated representative by reason of the operation of paragraph 5.27, or where any of the circumstances at paragraph 5.28 would apply if the nominated representative were a member of the *Council*.
- 5.8 A nominated representative of a *corporate member of the Council* has the same rights, duties and responsibilities, in relation to any *Council* meeting or a *Council* written resolution, as a member of the *Council*.

Nominations

- 5.9 No *person* shall be nominated for election as a member of *Council* without that *person's* written consent.
- 5.10 No *person* shall be nominated for election as a member of *Council* where that person would, if elected, be ineligible to be a member of the *Council* by reason of the operation of paragraph 5.27 of these *constitutional requirements* or where any of the circumstances at paragraph 5.28 apply or would apply if the *person* were elected.
- 5.11 A *working member* of the *Society* must be nominated for election as a *working member of the Council* by 6 other *members* of the *Society* who are registered as *working members of the Society* on the *nominations date*.
- 5.12 An *individual external member of the Society* must be nominated for election as an *individual external member of the Council* by 6 other *individual external members of*

*the Society* who are registered as *external members of the Society* on the *nominations date*.

5.13 A *C-external member of the Society* must be nominated for election as a *C-external member of the Council* by one or more *external members of the Society* who –

- (a) are *C- external members* of the *Society* who are registered as *external members* of the *Society* on the *nominations date*; and
- (b) who singly (or together) hold as at the *nominations date* 2% or more of the *voting capacity* attributable to all *C-external members*.

5.14 Nominations for election shall be submitted in such form and contain such information, details of interests and undertakings as the *Council* may require of the candidate and, where relevant, of its nominated representative.

Uncontested election

5.15 If, prior to the *ballot date* the number of eligible candidates validly nominated for election as a *working member of the Council*, an *individual external member of the Council* or a *C-external member of the Council* (as the case may be) does not exceed the number of vacancies for such a class or category, the candidates who have been nominated for that class or category shall be declared to be elected by the independent scrutineer appointed under paragraph 7.1. The declaration concludes the election for that class or category of member of the *Council*.

5.16 If, in any election, a vacancy is not filled, the *Council* shall declare that there remains a vacancy and the *Council* shall set a timetable for an election in respect of that vacancy in accordance with the provisions at paragraph 5.3.

Ballot papers

5.17 In the case of a contested election the *Council* shall on the *notice of candidates date* make available to each *member* who was given *notice of election* –

- (a) a ballot paper containing names of the eligible candidates nominated;
- (b) particulars of each eligible candidate nominated (and where relevant its nominated representative) including –
  - (i) a statement identifying any periods during which the candidate or its nominated representative was a member of the *Council*, a nominated

- representative of a *corporate member* or a member of the *Franchise Board*; and
- (ii) a statement (not exceeding 400 words) that the candidate may wish to make concerning his candidature; and
  - (c) information regarding how and when the ballot paper is to be received.

#### Voting

5.18 In the election of a *C-external member of the Council* –

- (a) each *C-external member of the Society* shall have 1000 votes for every £500,000 or part thereof of *voting capacity* attributable to that *C-external member of the Society* on the *voting record date*; and
- (b) each *external individual member of the Society* shall have 1 vote for every £500,000 or part thereof of *voting capacity* attributable to that *external individual member of the Society* on the *voting record date*.

5.19 In the election of an *individual external member of the Council* –

- (a) each *individual external member of the Society* shall have 1000 votes for every £500,000 or part thereof of *voting capacity* attributable to that *individual external member of the Society* on the *voting record date*; and
- (b) each *C-external member of the Society* shall have 1 vote for every £500,000 or part thereof of *voting capacity* attributable to that *C-external member of the Society* on the *voting record date*.

5.20 In the election of a *working member* of the *Council* each *working member of the Society* shall have one vote.

5.21 Any vote cast by a *member* shall not be counted if, before the *ballot date*, that *member* ceases to be a *member* of the *Society*.

#### Results

5.22 The independent scrutineer appointed under paragraph 7.1 shall report the result of the election and declare the *member* duly elected.

5.23 If in any ballot any two or more candidates receive an equal number of votes, the election shall be determined by lot by the *Secretary to the Council* and such determination shall be final and binding for all purposes.

- 5.24 Where there are two or more vacancies for the same class or category of *Council* membership and one of those vacancies is for a shorter period of office, the identity of the candidate whose term of office will be for the shorter period shall be the elected candidate with the fewer or fewest votes or in the event of a tie or where the candidates have been declared elected in accordance with paragraph 5.15 above shall –
- (a) be determined by agreement between the candidates; or in the absence of such agreement
  - (b) be determined by lot by the *Secretary to the Council* and such determination shall be final and binding for all purposes.

### **Nominated Members**

Appointment of nominated members

5.25 A *person* who –

- (a) is a *member* of the *Society*; or
- (b) is an *annual subscriber*,

shall not be eligible for appointment as a *nominated member*.

5.26 The appointment of a *nominated member* of *Council* shall be by *special resolution* of the *Council*.

### **Re-election and re-appointment**

5.27 No *person* who has served in one or more of the following roles –

- (a) a *nominated member* (other than an Executive Officer);
- (b) a *working member of the Council*;
- (c) an *individual external member of the Council*;
- (d) a *C-external member of the Council*;
- (e) as a nominated representative of a *corporate member of the Council*; or
- (f) as a member of the *Franchise Board*

for a period of more than 9 years in aggregate (whether or not such periods of service were consecutive) shall be eligible for election, re-election, appointment or re-

appointment to the *Council*, or for service as a nominated representative of a *corporate member of the Council*, for a term commencing sooner than three years after the expiry of his previous last term or of the term of the *corporate member* that he was representing. On any subsequent re-election or re-appointment as a member of the *Council* the first term for which he is re-elected or re-appointed following a period out of office shall be treated for the purposes of this paragraph as his first term as a member of the *Council*.

### **Cessation and disqualification from Council**

5.28 The *Secretary to the Council* shall declare that a member of *Council* has ceased to be a member of *Council* if –

- (a) the *Council* member has given written notice of resignation to the *Secretary to the Council* and such resignation shall take effect in accordance with its terms;
- (b) the *Council* member has been declared insolvent or bankrupt;
- (c) the *Council* member is prohibited from being or acting as a director of a company by law;
- (d) a registered medical practitioner has given a written opinion to the *Secretary to the Council* stating that the *Council* member has become incapable of acting as a *Council* member and is likely to remain so for more than three months;
- (e) by reason of that *Council* member's mental health, an order is made which wholly or partly prevents that member from personally exercising any powers or rights which he would otherwise have;
- (f) in the case of a *working member of the Council* the member has ceased to be a *working member of the Society*;
- (g) in the case of an *external member of the Council* the member has ceased to be an *external member of the Society*;
- (h) in the case of a *nominated member of the Council* the member has ceased to be eligible to be a *nominated member of the Council* in accordance with paragraph 5.25; or
- (i) the *Council* member is a *working member of the Council* or an *external member of the Council* and becomes connected with another *working member of the Council* or an *external member of the Council*. For the purposes of this sub-paragraph two such members of the *Council* are connected where -
  - (a) they are companies in the same corporate group which corporate group includes a *corporate member*, an *underwriting agent* or a *Lloyd's broker*;

- (b) they are directors or employees in the same corporate group which corporate group includes a *corporate member*, an *underwriting agent* or a *Lloyd's broker*; or
- (c) one member of the *Council* is a director, partner, employee, agent or controller of or in the other member of the *Council*;

and the member of the *Council* that shall be declared to cease to be a member of the *Council* shall be the member of the *Council* with the longer term of office to continue (or otherwise shall be determined by lot drawn by the *Secretary to the Council* and such determination shall be final and binding for all purposes).

5.29 The *Council* may declare that a member of the *Council* shall cease to be, or shall be suspended as, a member of the *Council* if –

- (a) the member has been convicted of a crime which, in the opinion of the *Council*, involves dishonesty or lack of good faith or otherwise merits cessation of membership of the *Council*;
- (b) the member has been subject to an adverse finding in any *enforcement proceedings* or proceedings brought by any regulator or professional body which, in the opinion of the *Council*, merits cessation of membership of the *Council*; or
- (c) the member ceases to meet any applicable requirements of the *Financial Services Authority* that relate to his membership of the *Council*; or
- (d) in the case of a *nominated member of Council* a notice of no confidence has been served on the *Secretary to the Council* signed by all the other *Council* members.

5.30 A notice of no confidence in respect of an *external member of the Council* or a *working member of the Council* may be served on the *Secretary to the Council* where that notice has been signed by all the other *Council* members. In those circumstances the *Council* member's membership of the *Council* shall be subject to an election held in accordance with these *constitutional requirements* as if a vacancy had arisen (although for the avoidance of doubt the member of *Council* in respect of whom a notice of no confidence has been served shall remain a member of the *Council* until the results of that election are reported). In the event that –

- (a) the *Council* member is not elected at that election his membership of *Council* shall at that time cease;
- (b) the *Council* member is elected at that election he may serve the remainder of the term of office when the notice of no confidence was served.

- 5.31 Other than where paragraph 5.30 applies, where a *working member of the Council* or an *external member of the Council* ceases for whatever reason to be a member of the *Council* prior to that member's term of office having expired, the *Council* shall as soon as reasonably practical, and in any event not later than 3 months after the date that the vacancy arose, send *notice of election to members* in respect of that vacancy and set a timetable for the election in accordance with the provisions at paragraph 5.3.
- 5.32 Where an individual nominated by a *corporate member of the Council* as its nominated representative ceases to be its appointed nominated representative or ceases to be eligible to be its nominated representative in accordance with paragraph 5.7 –
- (a) the member of the *Council* shall be required within 28 working days to nominate another eligible individual to be its nominated representative and inform the *Secretary to the Council* of the identity of the new nominated representative; and
  - (b) a vacancy shall be deemed to have arisen in respect of the *corporate member of the Council* in question on 31 January next following the date that the first nominated representative ceased to be the *corporate member's* nominated representative or ceased to be eligible to be the *corporate member's* nominated representative (or such earlier date as the *Council* may determine) and the *Council* shall set a timetable for the election in accordance with the provisions at paragraph 5.3.

### **Remuneration**

- 5.33 Members of the *Council* are entitled to such remuneration for their services as the *Council* may determine –

- (a) for their general services to the *Society* as members of the *Council*; and
- (b) for any specific services which they undertake for the *Society*,

save that the *Council* may determine not to pay such sums to any individual or class or category of member of the *Council*. The *Council* may decide to pay different sums to different classes or categories of *Council* member and to the Chairman of Lloyd's or a Deputy Chairman of Lloyd's and to the Executive Officers.

- 5.34 Unless the *Council* decides otherwise, members of the *Council* are not accountable to the *Society* for any remuneration in any other capacity.



### **Council members' expenses**

- 5.35 The *Council* shall pay any reasonable expenses which a *Council* member properly incurs in connection with the exercise of his powers and the discharge of his responsibilities in relation to the *Society*.

### **Legal advice**

- 5.36 Where a *Council* member considers that he requires independent advice in his capacity as a *Council* member, the *Council* member shall first liaise with the *Secretary to the Council* or the Chairman of Lloyd's or a Deputy Chairman of Lloyd's prior to obtaining that advice. Following that the Chairman of Lloyd's, or a Deputy Chairman of Lloyd's, may direct the *Secretary to the Council* to arrange for the provision of the independent advice and any reasonable costs reasonably incurred will be reimbursed by Lloyd's.

## Part 6 Decision making by members

### Resolutions at general meetings

General provisions about resolutions at meetings

- 6.1 A resolution of the *members* may only be passed at a *general meeting* in accordance with Lloyd's Acts 1871 to 1982 and these *constitutional requirements*.
- 6.2 No resolution may be moved at a *general meeting* unless notice is given in accordance with these *constitutional requirements*.

### Calling Meetings

Council's power to call general meetings and requirement to call an Annual General Meeting

- 6.3 Subject to these *constitutional requirements* the *Council* –
- (a) may call a *general meeting* of the *Society*; and
  - (b) shall call a *general meeting* of the *Society* as the *annual general meeting* to be held not later than 30 June of each year.

Members' power to require the Council to call a general meeting

- 6.4 The *Council* is required to call a *general meeting* once the *Council* has received requests to do so either –
- (a) from –
    - (i) members constituting at least 10% by number of the *members* of the *Society*; or
    - (ii) any number of *members* of the *Society* to whom in the aggregate there is attributable at least 10% of *total voting capacity*;
- or
- (b) where notice is served upon the *Council* in accordance with section 6(4) of Lloyd's Act 1982.

6.5 A request under paragraph 6.4 must –

- (a) be in hard copy form or electronic form;
- (b) state the nature of the business to be dealt with at the meeting;
- (c) include the text of a resolution that may properly be moved and is intended to be moved at the meeting; and
- (d) be authenticated by each of the *members* requesting the meeting.

Notice required of general meeting

6.6 Where the *Council* calls a *general meeting* of the *Society* under paragraph 6.3 it shall give notice to the *members* –

- (a) in the case of an *annual general meeting*, at least 28 days prior to the meeting; and
- (b) in any other case, at least 14 days prior to the meeting.

6.7 Where the *Council* is required under paragraph 6.4 to call a *general meeting* of the *Society*, it shall –

- (a) call that meeting by giving notice of that *general meeting* to the *members* within 21 days from the date on which the *Council* became subject to the requirement; and
- (b) hold the meeting on a day no more than 28 days after the *Council* has called the *general meeting*.

Persons entitled to receive notice of meetings

6.8 Notice of a *general meeting* of the *Society* must be sent to every *member* of the *Society* whose name is shown in the *Register of Members* on the date of the notice.

Content of notice of meetings

6.9 Notice of a *general meeting* of the *Society* shall –

- (a) state whether the meeting will be an *annual general meeting*;
- (b) provide the time, date and place of the meeting; and
- (c) set out in full the text of all resolutions intended to be moved at the meeting and include, where relevant, a polling card.

- 6.10 A notice of a *general meeting* shall include a statement informing the *member* of the *Society* of his right to appoint another *member* of the *Society* or a member of the *Council* as his proxy to exercise all or any of his rights to attend and speak and vote at the *general meeting* of the *Society* and shall include the *proxy notification address* (paragraph 6.24).

**Members' statements prior to a general meeting**

- 6.11 The *Council* shall, where it has received requests to do so from –

- (i) members constituting at least 10% by number of the *members* of the *Society*;  
or
- (ii) any number of *members* of the *Society* to whom in the aggregate there is attributable at least 10% of *total voting capacity*,

circulate to each *member* of the *Society* entitled to receive notice of a *general meeting* called under paragraph 6.3 or 6.4 a statement of not more than 1,000 words with respect to –

- (a) a matter referred to in a proposed resolution to be dealt with at that meeting; or
- (b) other business to be dealt with at that meeting.

- 6.12 A request under paragraph 6.11 –

- (a) must be in hard copy form or in electronic form;
- (b) must set out the statement to be circulated;
- (c) be authenticated by each of the *members* of the *Society* making it; and
- (d) must be received by the *Secretary to the Council* at least one week before the meeting to which it relates.

**Members' power to require circulation of resolution for AGM**

- 6.13 The *Council* shall, where it has received requests to do so from –

- (i) members constituting at least 10% by number of the *members* of the *Society*;  
or
- (ii) any number of *members* of the *Society* to whom in the aggregate there is attributable at least 10% of *total voting capacity*,

give to each *member* of the *Society* entitled to receive notice of the next *annual general meeting* notice of a resolution which may properly be moved and is intended to be moved at that meeting.

6.14 A request under paragraphs 6.13 –

- (a) must be in hard copy form or in electronic form;
- (b) must identify the resolution to be circulated;
- (c) be authenticated by each of the *members* of the *Society* making it; and
- (d) must be received by the *Secretary to the Council* not later than 1 April prior to the *annual general meeting* at which it is proposed that the resolution be considered.

#### **Council's duty to circulate members' statement and members' resolutions**

6.15 The *Council*, when required under paragraphs 6.11 or 6.13 to circulate a *members' statement* or to give notice of a resolution, shall send a copy of it to each *member* of the *Society* entitled to receive notice of the meeting –

- (a) in the same manner as the notice of the meeting; and
- (b) at the same time as, or as soon as reasonably practicable after, it gives notice of the meeting.

#### **Expenses of circulating members' statement**

6.16 The expenses of the *Council* in complying with a request under paragraph 6.11 shall be met by the *members* who requested the circulation of the *members' statement* unless –

- (a) the statement is to be circulated for consideration at an *annual general meeting*; or
- (b) the *Council* determines otherwise

and the *Council* may require before it complies with that request the deposit of a sum reasonably sufficient to meet its expenses in doing so.

## Proxies

### Right to appoint proxies

- 6.17 A *member* of the *Society* is entitled to appoint another *member* of the *Society* or a member of the *Council* (but no other *person*) as his proxy to exercise all or any of his rights to attend and to speak and vote at a *general meeting* including any adjournment of that *general meeting*.
- 6.18 The appointment of a proxy to vote on a matter at a meeting of the *Society* authorises the proxy to demand, or join in demanding, a poll on that matter.
- 6.19 A proxy must vote in accordance with any instructions given by the member by whom the proxy is appointed.

### Content of proxy notices

- 6.20 Proxies may only validly be appointed by a notice in writing (a “*proxy notice*”) which –
- (a) states the name and address of the *member* of the *Society* appointing the proxy;
  - (b) identifies the *person* appointed to be that *member* of the *Society*’s proxy and the *general meeting* in relation to which that *person* is appointed;
  - (c) is signed by or on behalf of the *member* of the *Society* appointing the proxy, or is authenticated in such manner as the *Council* may determine; and
  - (d) is delivered in accordance with the *constitutional requirements* and any instructions contained in the notice of the *general meeting* to which they relate, and received by such *person* or at such place as the *Council* may from time to time require.
- 6.21 The *Council* may require a *proxy notice* be received in a particular form, and may specify different forms for different purposes.
- 6.22 A *proxy notice* may specify how the proxy appointed under it is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- 6.23 Unless a *proxy notice* indicates otherwise, it must be treated as –
- (a) allowing the *person* appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the *general meeting*; and

- (b) appointing that *person* as a proxy in relation to any adjournment of the *general meeting* to which it relates as well as the *general meeting* itself.

#### Delivery of proxy notices

- 6.24 Any notice of a *general meeting* must specify the address or addresses (“*proxy notification address*”) at which the *Council* will receive *proxy notices* relating to that meeting, or any adjournment of it, and identify whether they are to be received by the *Council* in hard copy or electronic form.
- 6.25 A *member* of the *Society* who is entitled to attend, speak or vote at a *general meeting* remains so entitled in respect of that meeting or any adjournment of it, even though a valid *proxy notice* has been received by the *Council* by or on behalf of that *member* of the *Society*, although the *member* attending, speaking or voting invalidates that *proxy notice*.
- 6.26 Where a *proxy notice* is given in relation to a *general meeting* or adjourned *general meeting*, it must be received at the *proxy notification address* not less than 48 hours before the *general meeting* or adjourned *general meeting* at which the *person* named in the *proxy notice* proposes to vote.

#### Termination of proxy's authority

- 6.27 The termination of the authority of a *person* to act as proxy does not affect –
  - (a) whether his attendance counts in deciding whether there is a quorum at a *general meeting*; or
  - (b) the validity of a vote cast by him or the validity of a poll demanded by him at a *general meeting*,

unless the *Secretary to the Council* or other *person* authorised by the *Council* receives notice of the termination in writing not less than twelve hours before the commencement of the *general meeting* or the adjourned *general meeting* or the time appointed for taking the poll to which his authority relates.

## Representation of corporate members at meetings

Appointment of corporate member's representative

- 6.28 A *corporate member* may by resolution of its directors or its governing body authorise a *person* to act as its representative at any *general meeting* of the *Society*.
- 6.29 Evidence of authorisation, giving the name and title of the *person* authorised to act as a *corporate member's* representative must be received by the *Secretary to the Council* or other *person* appointed by the *Council* not less than 48 hours before the time of the *general meeting* in question. If evidence of authorisation is not received in accordance with this paragraph the *person* authorised shall not be entitled to act as the *corporate member's* representative at the *general meeting*.

## Organisation of general meetings

Council to determine arrangements for meeting

- 6.30 The *Council* may determine when and where any *general meeting* is to be held and may, subject to these *constitutional requirements*, make such other arrangements or requirements that appear necessary or appropriate to ensure the orderly and fair conduct of the meeting.

Chairman of the meeting

- 6.31 The chairman of a *general meeting* shall be the Chairman of Lloyd's, a Deputy Chairman of Lloyd's or any other member of the *Council* appointed by the *Council* to act as chairman of such *general meeting*.
- 6.32 The chairman of the *general meeting* may make any arrangements for the conduct of the meeting including in respect of the security of the meeting.
- 6.33 The chairman of the *general meeting* shall ensure that discussion of any proposed resolution or any other business of the *general meeting* is kept within reasonable time, scope and conduct and may prohibit further consideration at the meeting of a particular matter once, in his opinion, such matter has been sufficiently debated and a fair cross-section of views has been heard. In particular no answer need to be given to a question asked at a *general meeting* if in the opinion of the chairman of the *general meeting*. –



- (a) to do so would –
  - (i) interfere unduly with the preparation for or conduct of the *general meeting*, or
  - (ii) involve the disclosure of confidential information;
- (b) the answer has already been given on a website in the form of an answer to a question; or
- (c) it is undesirable in the interests of the *Society* or the good order of the *general meeting* that the question be answered.

6.34 Any point of order shall (unless the chairman of the *general meeting*, in his absolute discretion, otherwise permits) be submitted in writing to the chairman of the *general meeting* in accordance with the procedures determined by him and his decision on any point of order shall be final.

#### Quorum at meetings

- 6.35 The quorum of *members* of the *Society* necessary for the holding of a *general meeting* shall be –
- (a) 100 *members* of the *Society* attending in person or by proxy or in the case of a *corporate member* its nominated representative or in the case of a deceased *member* his executor or personal representative; or
  - (b) the number of *members* of the *Society* present in person or by proxy or in the case of a *corporate member* its nominated representative or in the case of a deceased *member* his executor or personal representative to which in the aggregate there is attributable at least 1% of the *total voting capacity* attributable to all *members* of the *Society* entitled to attend and vote at the meeting.

6.36 No business is to be transacted at a *general meeting* if the *persons* attending it do not constitute a quorum.

#### Attendance and speaking at general meetings

6.37 A *person* is able to exercise the right to speak at a *general meeting* when that *person* is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that *person* has on the business of the meeting.

- 6.38 A *person* is able to exercise the right to vote at a *general meeting* when –
- (a) that *person* is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
  - (b) that *person*'s vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other *persons* attending the meeting.
- 6.39 The chairman of the meeting may make whatever arrangements he considers appropriate to enable those attending a *general meeting* to exercise their right to speak or vote at it.
- 6.40 In determining attendance at a *general meeting*, it is immaterial whether any two or more members of the *Society* attending it are in the same place as each other.
- 6.41 Two or more *members* of the *Society* who are not in the same place as each other attend a *general meeting* if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

#### Attendance by non-members

- 6.42 A *person* who is not a *member* of the *Society* or otherwise entitled to exercise the rights of a *member* in relation to *general meetings* may only attend and speak (but not vote) at a *general meeting* if the *person* –
- (a) is a member of the *Council* or is a director of the *Society* or is the *Secretary to the Council*; or
  - (b) has the permission of the Chairman of Lloyd's (or if different the chairman of the meeting).

#### Amendments to Resolutions

- 6.43 No amendment to a resolution may be considered or voted upon (other than a mere clerical amendment to correct a patent error) unless –
- (a) notice of the proposed amendment is received by the *Secretary to the Council* in writing by a *member* of the *Society* (or in the case of a *corporate member*, its representative) entitled to vote at the *general meeting* at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine); and

- (b) the chairman of the meeting, in his absolute discretion, decides that the amendment may be considered and voted upon.

#### Adjournment

- 6.44 If the *persons* attending a *general meeting* within half an hour from the time appointed for the meeting do not constitute a quorum, or if during the *general meeting* a quorum ceases to be present, the chairman of the meeting shall adjourn it.
- 6.45 The chairman of the meeting in his discretion may adjourn a *general meeting* at which a quorum is present if –
- (a) the meeting consents to an adjournment;
  - (b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or to ensure that the business of the meeting is conducted in a proper and orderly manner; or
  - (c) in the view of the chairman of the meeting there has been a material change in the circumstances since the despatch of the notice calling the *general meeting* and it is in the interests of the *Society* that the business for which the meeting has been called should not proceed at the time for which the meeting has been called. A meeting adjourned under this sub-paragraph (c) shall be adjourned until such time as *members* of the *Society* have been adequately informed about the relevant material change in circumstances.
- 6.46 When adjourning a *general meeting*, the chairman of the meeting shall specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the *Council*.
- 6.47 When a continuation of an adjourned *general meeting* is to take place more than 14 days after it was adjourned, the *Council* must give at least seven clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given) –
- (a) to the same persons to whom notice of the *general meeting* was required to be given; and
  - (b) containing the same information which such notice is required to contain.

Otherwise, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned *general meeting* if the chairman of the meeting has on the day of the *general meeting* specified the time and place to which the meeting will be adjourned.

- 6.48 No business may be transacted at an adjourned *general meeting* which could not properly have been transacted at the *general meeting* if the adjournment had not taken place.
- 6.49 Where a resolution is passed at an adjourned *general meeting*, the resolution is for all purposes to be treated as having been passed on the date on which it was in fact passed, and is not to be deemed passed on any earlier date.

### **Voting at general meetings**

#### Voting - general

- 6.50 Only *members* in person or by proxy (or in the case of *corporate members* their nominated representatives or in the case of a deceased member his executor or personal representative) shall be entitled to vote on resolutions moved at *general meetings*.
- 6.51 A resolution put to the vote of a *general meeting* shall be decided on a show of hands unless a poll is taken on it in accordance with these *constitutional requirements*.

#### Declaration by chairman on a show of hands

- 6.52 On a vote on a resolution at a *general meeting* on a show of hands a declaration by the chairman of the meeting that the resolution –
- (a) has or has not been passed, or
  - (b) passed with a particular majority,

is conclusive evidence of that fact (other than where a poll is subsequently taken on that resolution).

#### Demanding a poll

- 6.53 A poll on a resolution at a *general meeting* may be demanded –
- (a) in advance of the *general meeting* where it is to be put to the vote; or
  - (b) at a *general meeting*, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- 6.54 A poll on a resolution at a *general meeting* may be demanded by –

- (a) the chairman of the meeting;
- (b) the *Council*;
- (c) 50 or more *members* of the *Society* having the right to vote on the resolution;  
or
- (d) a *corporate member* or *corporate members* representing in aggregate 2% or more of *voting capacity* attributable to all *members* other than *individual external members of the Society*.

6.55 A demand for a poll may be withdrawn if –

- (a) the poll has not yet been taken; and
- (b) the chairman of the meeting consents to the withdrawal.

#### Procedure on a poll

6.56 Subject to these *constitutional requirements*, polls at *general meetings* shall be taken at the end of the meeting or at such time as the chairman of the meeting in his discretion directs and the chairman of the meeting shall decide how and when the result of the poll is to be declared.

6.57 The result of a poll shall be the decision of the *general meeting* in respect of the resolution on which the poll was demanded.

6.58 A demand for a poll shall not prevent a *general meeting* from continuing as the chairman of the *general meeting* considers appropriate.

6.59 No notice need be given of a poll not taken immediately or at the end of the meeting if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case, at least seven days notice must be given specifying the time and place at which the poll is to be taken.

#### Voting on a poll

6.60 In any poll at a *general meeting* (other than a poll in respect of a *section 6(4) meeting*) each *member* shall have one vote for every £500,000 or part of £500,000 of *voting capacity* attributable to that *member*. The voting right for each *member* shall be calculated as at a *voting record date* determined by the *Council* which shall be not more than 48 hours before the time of the *general meeting*.

6.61 The *Secretary to the Council* may issue a certificate stating the voting entitlement of any *member* in relation to any *general meeting* which shall be conclusive evidence of the voting entitlement of the *member* to which it relates.

#### Errors and disputes

6.62 Any objection raised to the qualification of any *person* voting at a *general meeting* may only be raised at the meeting or adjourned meeting at which the vote objected to is tendered and any such objection shall be referred to the chairman of the meeting whose decision shall be final and binding.

6.63 If any votes are counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the result of the voting unless it is pointed out at the same meeting, or at any adjournment thereof, and, in the opinion of the chairman of the meeting, it is of sufficient magnitude to vitiate the result of the voting.

#### Section 6(4) Meetings

##### Procedure

6.64 Where the *Council* is required to call a meeting in accordance with section 6(4) Lloyd's Act 1982 (a *section 6(4) meeting*) the notice of the meeting shall include a copy of the notice served on the *Council* in accordance with section 6(4)(a) Lloyd's Act 1982.

6.65 A resolution put to the vote at a *section 6(4) meeting* to revoke a byelaw or an amendment of a byelaw or to annul a revocation of a byelaw shall be decided by a poll in accordance with these *constitutional requirements* and each *member* shall have one vote.

6.66 A resolution passed in accordance with paragraph 6.65 shall only be passed where –

- (a) the resolution has been passed by a majority of *members* voting in *person* or by proxy or in the case of *corporate members* their nominated representatives or in the case of a deceased *member* by his executor or personal representative; and
- (b) the number of *members* voting in favour of the resolution represents at least one third of the total membership of the *Society*.

6.67 The *Secretary to the Council* or other *person* authorised by the *Council* shall announce the result of a vote taken in accordance with paragraphs 6.65 and 6.66 .

6.68 The result shall be announced by a notice posted in the Room which shall state whether –

- (a) the requirements at paragraph 6.66 have been met; and
- (b) the byelaw or amendment has been revoked or the revocation of the byelaw has been annulled.

## Part 7 Miscellaneous

### Independent scrutineer

- 7.1 In respect of any ballot to elect members of *Council* or at a poll taken at a *general meeting*, the *Council* shall appoint a *person* to be the independent scrutineer (who shall not be a *member* or employee of the *Society*) to take the vote and report the result.

### No requirement to forward defamatory, misleading or inaccurate information

- 7.2 The *Council* is not required to circulate any statement, notice, resolution or document that a *member* or *members* of the *Society* (including a candidate for election to the *Council*) has requested be circulated in accordance with these *constitutional requirements*, and a resolution may not be properly moved at a *general meeting*, if the *Council* considers that –
- (a) the rights conferred on *members* under these *constitutional requirements* are being abused;
  - (b) the statement, notice, resolution or document is –
    - (i) defamatory of any *person*;
    - (ii) inaccurate, false or misleading; or
    - (iii) frivolous or vexatious; or
  - (c) in the case of a resolution it would, if passed, be ineffective (whether by reason of inconsistency with Lloyd’s Acts 1871-1982 or otherwise).

### Service of notice

#### Giving notice to the Council

- 7.3 Subject to the *constitutional requirements*, any notice or document to be sent or given by a *member* or *members* of the *Society* to be received by the *Council* under the *constitutional requirements* shall be sent or given to the *Secretary to the Council* or to such other *person* or *persons* as the *Council* may specify or authorise for receipt of that communication and by such means as the *Council* may permit.
- 7.4 For the purposes of this byelaw and throughout these *constitutional requirements*, the words “receipt”, “receive” and “received” by the *Council* or the *Secretary to the*



*Council* refer only to actual receipt by the *Council* or the *Secretary to the Council* or such other person as nominated by the *Council*.

Giving notice to members

7.5 Subject to the *constitutional requirements*, any notice or document to be sent or supplied by the *Council* to a *member* of the *Society* may be sent or supplied –

- (a) in hard copy form;
- (b) in electronic form; or
- (c) by means of a website (see paragraph 7.8 below)

or partly by one means and partly by another.

7.6 Anything sent or supplied to a *member* of the *Society* under the *constitutional requirements* shall be sent or supplied to that *member's* address as stated in the register of *members* of the *Society* or to his *members' agent* or in the case of a deceased *member* to his executor or personal representative, unless –

- (a) the *member* and the *Council* have agreed another means of communication is to be used; and
- (b) the *member* has supplied the *Council* with the information it needs in order to be able to use that other means of communication.

7.7 If pursuant to these *constitutional requirements* –

- (a) the *Council* sent or supplied three consecutive documents to a *member* over a period of at least 12 months; and
- (b) each of those documents is returned undelivered, or the *Council* receives notification that the documents have not been delivered,

that *member* ceases to be entitled to receive notices under these *constitutional requirements* until such time as the *member* provides a valid address.

7.8 When the *Council* notifies a *member* of the *Society* of the presence of a notice of a *general meeting* on the *Society's* website –

- (a) the notice shall be available on the *Society's* website during the period beginning with the date of that notification and ending with the conclusion of the meeting; and
- (b) the notification shall –

- (i) state that it concerns a notice of a *general meeting*;
- (ii) specify the place, date and time of the meeting; and
- (iii) state whether the meeting will be an *annual general meeting*.

#### **Calculation of time periods**

- 7.9 In calculating the periods mentioned in paragraphs 6.26, 6.29, 6.43 and 6.60 no account shall be taken of any day that is not a working day.

#### **Errors**

- 7.10 Where the *Council* sends, supplies or gives any notice or provides any document in accordance with these *constitutional requirements* any –
- (a) accidental failure to give notice or the document to a *person* or *persons*;
  - (b) non-receipt of the notice or document by a *person* or *persons*; or
  - (c) accidental error in the notice or document,

shall be disregarded for the purpose of determining whether the notice or document has been duly given and the result of any vote, poll or decision shall not be invalidated other than where the *Council* is satisfied that the failure to give notice or accidental error is material in that in the *Council's* opinion it would reasonably have affected the result of the vote, poll or decision.

- 7.11 No ballot to elect a member of *Council* or vote or poll taken at a *general meeting* shall be challenged or otherwise declared to be invalid by reason of any process of objection under Schedule 1 of Lloyd's Act 1982 or paragraph 15 of the Membership Byelaw (No 5 of 2005) not being determined or completed by the date of the ballot, vote, poll or decision or for any other reason relating to the classification of a *member* of the *Society*.

#### **Records; Destruction and Inspection of documents**

- 7.12 Records shall be kept of the proceedings of any election or *general meeting* and minutes shall be maintained of the proceedings of the *Council* and any such record of any vote, poll, decision or resolution shall be conclusive evidence of that fact.
- 7.13 Except as provided by law or authorised by the *Council* or by resolution of the *members* of the *Society*, no *person* is entitled to inspect any of the *Society's* accounting or other records or documents merely by virtue of being a *member*.

### **Common seal**

- 7.14 The common seal of the *Society* may only be used with the authority of the *Council*. The *Council* may decide by what means and in what form the seal of the *Society* is to be used.
- 7.15 Unless otherwise decided by the *Council*, where the seal is affixed to a document, the document must also be signed and sealed by an authorised *person* in the presence of a witness who attests the signature. For the purposes of this paragraph, an authorised *person* is –
- (a) any member of the *Council*;
  - (b) the General Counsel of the *Society*, any director of the *Society* or the *Secretary to the Council*; or
  - (c) any *person* authorised by the *Council*, Chief Executive Officer, the General Counsel of the *Society* or the *Secretary to the Council*.

### **Indemnities**

- 7.16 The *Council* may from time to time grant an indemnity to –
- (a) any member of the *Council*;
  - (b) any member of any committee of the *Council*;
  - (c) any employee of the *Society* or any employee of a subsidiary of the *Society*;  
and
  - (d) such other *person* or *persons* as the *Council* may from time to time determine,
- against such liability and in such form as the Chairman of Lloyd's, the General Counsel of the *Society*, the Chief Financial Officer of the *Society* or the *Secretary to the Council* may determine.

### **Waiver**

- 7.17 Subject to Lloyd's Acts 1871 – 1982, the *Council* may at any time, following reasonable notice to the *Financial Services Authority*, by *special resolution* waive any of these *constitutional requirements* provided -

- (a) the *Council* is satisfied that the legitimate interests of the *members* of the *Society* will not be unfairly prejudiced by that waiver and that the waiver is appropriate or necessary; and
- (b) no *Council* member objects to the waiver being made.

## Part B – Revocations and definitions

### Revocations

1. The following byelaws are revoked –
  - (a) the Suspension from Membership of the Council and any Sub-Committee Byelaw (No. 16 of 1983);
  - (b) the Council Byelaw (No. 18 of 1996);
  - (c) the Quorums and Appointments of Committees and Sub-Committees Byelaw (No. 8 of 1992); and
  - (d) the Annual and Extraordinary General Meetings Byelaw (No. 17 of 1996).

save that nothing in this byelaw shall affect the validity of any election, term of office, appointment, act or decision made or taken pursuant to the above byelaws and any election, term of office, appointment, act or decision made under those byelaws shall from 7 December 2010 be deemed to be an election, term of office, appointment, act or decision made pursuant to this byelaw and the *Council* may make such requirements or give such directions as may be necessary or appropriate to ensure the orderly transition between byelaws.

### Definitions

2. The Definitions Byelaw (No. 7 of 2005) is amended by including in the appropriate alphabetical positions the definitions as set out in the following table –

Definition
“annual general meeting” means a <i>general meeting</i> called pursuant to paragraph 6.3(b) of the <i>constitutional requirements</i> .
“ballot date” means the date determined by <i>Council</i> pursuant to paragraph 5.3(e) of the <i>constitutional requirements</i> .
“C-external member of the Council” means an <i>external member of the Council</i> who is a <i>C-external member of the Society</i> .
“C-external member of the Society” means a <i>corporate member</i> who, for the purposes of the <i>constitutional requirements</i> , is not deemed to be an <i>individual</i>

<b>Definition</b>
<i>external member of the Society.</i>
“constitutional requirements” means the requirements set out in Schedule 1 of the Constitutional Arrangements Byelaw.
“corporate member of the Council” mean an <i>external member of the Council</i> who is a <i>corporate member</i> .
“external member of the Council” has the meaning provided by section 2(1) Lloyd’s Act, 1982.
“external member of the Society” has the meaning provided by section 2(1) Lloyd’s Act, 1982
“general meeting” means a general meeting of the <i>members</i> called pursuant to part 6 of the <i>constitutional requirements</i> .
<p>“individual external member of the Society” means, for the purposes of the <i>constitutional requirements</i> –</p> <p>(a) a <i>member</i> who is an individual; or</p> <p>(b) a <i>corporate member</i> whose <i>members</i> consist only of, or of nominees for, a single individual or a group of connected individuals (together with (i) in the case of a Scottish limited partnership, other persons who are either the general partner or a continuity limited partner in that partnership, or (ii) in the case of a limited liability partnership, other persons who are Non-Contributing Members of the limited liability partnership) shall be deemed to be an <i>individual external member of the Society</i> and not a <i>corporate member</i> and for the purpose of this definition only –</p> <p>(i) a “group of connected individuals” means a group of individuals each of whom is a director or manager of, or a partner in, or a <i>member</i> of, the <i>corporate member</i> or a close relative of any such person;</p> <p>(ii) “close relative” means an individual’s spouse, his children and his step-children, his parents and step-parents, his brothers and sisters and his step-brothers and step-sisters;</p> <p>(iii) “continuity limited partner” means a body corporate so designated in</p>

<b>Definition</b>	
	the limited partnership agreement for any Scottish limited partnership whose partners include a continuity limited partner;
(iv)	“Non-Contributing Member” means a body corporate so designated in the members’ agreement of the limited liability partnership.
	“individual external member of the Council” means an <i>external member of the Council</i> who is an <i>individual external member of the Society</i> .
	“nominated member of the Council” has the meaning given in section 2(1) Lloyd’s Act, 1982.
	“nominations date” means the date set by the <i>Council</i> pursuant to paragraph 5.3(b) of the <i>constitutional requirements</i> .
	“notice of candidates date” means the date set by <i>Council</i> pursuant to paragraph 5.3(c) of the <i>constitutional requirements</i> .
	“notice of election” means a notice of election issued pursuant to paragraphs 5.4 and 5.5 of the <i>constitutional requirements</i> .
	“Objects of the Society” means the Objects as provided by section 4 Lloyd’s Act, 1911.
	“proxy notice” has the meaning given in paragraph 6.21 of the <i>constitutional requirements</i> .
	“proxy notification address” has the meaning given in paragraph 6.25 of the <i>constitutional requirements</i> .
	“Register of Members” means the register of <i>members</i> kept and maintained by <i>Council</i> pursuant to Schedule 1 Lloyd’s Act, 1982.
	“Secretary to the Council” means the <i>person</i> appointed from time to time as the secretary to the <i>Council</i> .
	“Section 6(4) meeting” means a meeting called pursuant to section 6(4) Lloyd’s

<b>Definition</b>
Act, 1982.
<p>“special resolution” has the meaning given in section 2 (1) Lloyd’s Act 1982, namely a resolution of the <i>Council</i> passed by separate majorities of both –</p> <p>(a) all the <i>working members of the Council</i> for the time being; and</p> <p>(b) all the <i>members</i> for the time being of the <i>Council</i> who are not <i>working members of the Council</i> as aforesaid, that is to say, the <i>external members of the Council</i> and the <i>nominated members of the Council</i>.</p>
“total voting capacity” means the total <i>voting capacity</i> attributable to all <i>members</i> of the <i>Society</i> .
“total C-external voting capacity” means, for the purposes of the <i>constitutional requirements</i> , the aggregate <i>voting capacity</i> of all <i>C-external members</i> of the <i>Society</i>
“total external voting capacity” means, for the purposes of the <i>constitutional requirements</i> , the aggregate <i>voting capacity</i> of all <i>external members of the Society</i> .
"voting capacity", means in relation to a <i>member</i> and for the purposes of the <i>constitutional requirements</i> only, the aggregate of the <i>member's syndicate premium limit</i> for each <i>syndicate</i> for each year of account (including the year of account when, in respect of an election to the <i>Council</i> the term of office will commence or in respect of a <i>general meeting</i> the <i>general meeting</i> will be held) other than a year of account which has been closed by <i>reinsurance to close</i> .
“voting record date” means the date determined by <i>Council</i> for the purpose of calculating <i>capacity</i> in respect of a ballot or poll held or taken in accordance with the <i>constitutional requirements</i> .
“working member of the Council” has the meaning provided at section 2(1) Lloyd’s Act, 1982.
“working member of the Society” has the meaning provided at section 2 (1) Lloyd’s Act, 1982.