



Holiday Property Bondholders' Committee Rules

1. Definitions

The following terms shall have the following meanings:

- a) “The Committee”: the current members of the Holiday Property Bondholders’ Committee.
- b) “The Managers”: HPB Management Limited.
- c) “Bondholder”: Any person who is the current Proposer of a Holiday Property Bond issued by HPB Assurance Limited or its predecessors.
- d) “The Trust Deed”: The Holiday Property Bond Trust Deed as amended from time to time.
- e) “The Life Company”: HPB Assurance Limited.
- f) “The Trustees”: The Trustees of the Bond appointed by the Trust Deed.
- g) “The Committee Year”: the period commencing on the date of the first Committee meeting after 1st July in each year and ending on the day before the equivalent meeting in the following year.

2. Functions and objectives

The Committee shall act as a consultative body on behalf of Bondholders and as a forum for discussion with the Managers. To enable the Committee to fulfil these functions, the Managers will provide to the Committee, as soon as reasonably possible, such available information as the Committee may request in the fulfilment of these functions.

The following shall be particular functions of the Committee:

- a) To consider and advise on the choice of locations and properties proposed by the Managers and to suggest further locations for future investment.
- b) To act as an independent consultative body on behalf of Bondholders and to advise, liaise with and assist the Managers with the progress of their functions.
- c) To act as a link between Bondholders and the Managers and the Life Company.
- d) To establish a Complaints Review Sub-committee whose function is to review and provide feedback to the Managers on complaints received from Bondholders about the execution by the Managers of their duties under the Trust Deed, where those complaints have already been communicated to the Managers and where the complainant is dissatisfied with their response.

- e) To review correspondence sent by Bondholders on the understanding that Bondholders have already communicated with the Managers.
- f) To arrange with the Managers “Meet the Management” meetings and ensure the presence of at least one elected Committee member. The meeting will enable Bondholders to meet representatives of the Managers and the Committee.

The Committee may appoint sub-committees and depute to them any of its powers, except those relating to the election and expulsion of members. On any sub-committee, there shall always be a majority of elected members. No decision or recommendation of any sub-committee shall be operative until ratified by the Committee.

3. Membership

The Committee shall consist of not more than 14 regular members, of whom 11 shall be Bondholders and 3 shall be ex-officio.

- a) The Bondholder members shall consist of:
 - i. Nine elected Bondholders, of whom one shall be the Chair, elected in accordance with clause 4(a).
 - ii. A Bondholder nominated annually by the Managers.
 - iii. A Bondholder nominated annually by the Life Company.
- b) The ex-officio members shall consist of the Secretary and two members appointed annually by the Managers. The Managers have the option to alter their ex-officio members during the Committee Year. Such ex-officio members shall not be entitled to vote, except in connection with the election of the Chair and amendments to the Committee’s Rules.
- c) The Managers may invite Directors and other staff members to attend Committee meetings where this would be of benefit to the Committee.
- d) The elected members shall serve for a term of three Committee Years.
- e) Elected members whose three-year term has expired retire at the end of the Committee Year. Retiring members shall be eligible for re-election for a further consecutive term of three years – but not where such retiring members shall have already been a member of the Committee for two consecutive terms.
- f) To be eligible for election as a Committee member, and to continue to be a Committee member a Bondholder must fulfil the following qualifications:
 - i. they must have been a Bondholder as defined in paragraph 1 for a period of at least five years, and
 - ii. they must have stayed in a property owned by the Holiday Property Bond, at five different locations, and
 - iii. within the four years preceding the closing date for voting in the election they must not be or have been directly or indirectly employed on a remunerated basis (whether as employee, associate, agent, consultant, service or product provider or otherwise) by the Holiday Property Bond, the Managers or the Life Company or any of their associated Companies, nor must they have provided services or products on a remunerated basis to any of such bodies.

- g) Candidates for election must be proposed by one and seconded by two existing Bondholders, all of whom are expected to know the candidate personally. The name of every candidate with the names of their proposer and seconders must be sent in writing to the Secretary before the 15th day of April in each year. If the nominations number the same as or less than, the vacancies for the Committee, all the candidates shall be duly elected. If the nominations number more than the vacancies for the Committee, an election will be held. The Secretary shall arrange for Bondholders to be made aware of the candidate statements. The Chair shall be entitled to edit the text of such details if they do not appear to the Secretary to be relevant.

Bondholders have one ballot per Points account, and votes can be made up to the number of candidates for which there are vacancies. The vote must be made before the first day of July in each year. No vote shall be valid unless submitted on MyBond, the voting platform of the Managers or a ballot paper has been returned to the Managers that clearly indicates the Bond Number to which the vote relates. The candidates with the most votes shall fill the vacancies and in the event of a tie, the matter shall be decided by the Secretary by a drawing of lots. The duly elected candidates shall take office on the first day of the next Committee Year. The Managers will liaise with the newly elected Committee Members to arrange an induction course, that gives in-depth information about the Holiday Property Bond and the role of its various parties.

- h) Should any member of the Committee:
- i. cease to be a Bondholder;
 - ii. fail to attend three consecutive meetings of the Committee without reason;
 - iii. become insolvent or of unsound mind; or
 - iv. prove (in the opinion of a majority of the Committee) to be unsuitable or unfit to remain in the office; the Committee shall have power to declare the seat of such member vacant and a casual vacancy will arise.
- i) If a casual vacancy occurs by reason of (h) above or by the death, resignation or retirement of a Committee member, the vacancy shall be filled by the appointment of another member. Such appointed place shall first be offered to the candidate who (a) polled the next largest number of votes in the previous election (behind the members who were elected) and (b) is willing to serve on the Committee. Such appointed members shall serve on the Committee only until the next annual election. They shall be entitled to stand for election for a period of three years.
- j) The Committee shall have the power at any time to co-opt annually up to three members, of whom at least two shall be Bondholders, who may be members for a maximum of one year unless co-opted further. The Committee shall have the power to allow a vote to such of the co-opted Bondholder members as they think fit.

4. Chair and Vice Chair

- a) The Committee shall annually choose its own Chair and Vice Chair. Such Chair and Vice Chair must be an existing elected Bondholder who must have served for at least one year as a member of the Committee. Such Chair and Vice Chair shall each be nominated and seconded by at least two members of the Committee annually at the first meeting of the Committee Year. The Committee shall regulate its own election procedure.

- b) At all Committee meetings, the Chair shall preside, but if they are not present within ten minutes after the time appointed for holding the meeting, the Vice Chair shall preside. In the event of their similar absence the Committee shall choose a substitute Chair for that meeting.
- c) The Chair and Vice Chair will each be elected to serve for a tenure of one year. They shall be eligible to stand for re-election annually until their tenure on the Committee ends.

5. Meetings

- a) **FREQUENCY:** Meetings of the Committee shall be called by the Secretary not less than three times and not more than five times per Committee Year by serving at least three weeks' prior written notice. The written notice shall be agreed with the Chair and specify the business to be discussed and the time and place of the meeting. The discussions at these, and for that matter all information given to the Committee, is confidential and not to be shown or circulated to anyone else other than in such form as maybe agreed for publication by the Chair.
- b) **QUORUM:** Five members of the Committee shall be a quorum of whom not less than three must be elected Bondholders.
- c) **VOTING:** Subject to the provisions of Clause 3(b) of these Rules, every member of the Committee present at the meeting shall have one vote on every question, and in the case of equality, the Chair of the meeting shall have the casting vote. The Secretary shall maintain a record of all votes cast including details of any discussions or abstentions.
- d) **MINUTES:** The Secretary shall keep Minutes of the proceedings of each meeting. These shall be circulated within one calendar month where possible of the relevant meeting to all Committee members, shall be confirmed at the next meeting and shall be retained on file by the Secretary. After each meeting, a synopsis of each meeting shall be prepared by the Secretary and agreed with the Chair. The Secretary will be responsible for ensuring its publication in the next issue of the BOND magazine and on MyBond.
- e) At the first meeting of the new Committee Year, each elected member shall make a declaration of none or any possible conflict of interest either in confidence to the Secretary prior to the meeting or at the start of the meeting. Elected members are responsible for notifying the Secretary of any conflicts of interest should they occur during the Committee Year.

6. Expenses

- a) The Managers shall reimburse only the legitimate expenses incurred by Committee members in attending legitimate HPBC related matters.
- b) In the event of the Committee deciding to seek independent legal advice (in connection with any of the matters specified under Clause 2 hereof or in connection with the interpretation of any of these Rules), the Managers will indemnify the Committee against any reasonable costs of obtaining such legal advice up to a maximum of £5,000 in any Committee Year.

7. Fundraising

The Committee shall have the power to raise funds in the event of it wishing to seek independent legal or other professional advice or for any other appropriate purpose, but shall have no powers to borrow or in any way incur any liability whatsoever beyond amounts already raised to meet such liability.

8. “Meet the Management” meetings

Each Committee Year, the Committee will arrange with the Managers to organise either:

- A. Meetings on a regular basis in various regions of the United Kingdom or
- B. An annual meeting at a specified location in the United Kingdom to which all Bondholders will be invited, for the purpose of providing a social and business forum to facilitate communication between Management and Bondholders. The direct costs of these functions (such as rental, hire charges and refreshments) will be borne by those Bondholders attending and can be subsidised by the Managers. The Committee will decide with the Managers the nature, venue and timings. The Committee will ensure a minimum of one elected member attends each meeting.

9. Amendments

The Committee shall have power to amend these Rules provided that any amendment is approved by a majority of not less than two-thirds of all members including at least five elected Bondholder members.

The Secretary
Holiday Property Bondholders’ Committee

Last amended: Wednesday 6th September 2023.