

Friends' Provident Life Office Act 1975

CHAPTER xiv

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ELIZABETH II



1975 CHAPTER xiv

An Act to provide for the control and management of the
Friends' Provident Life Office; and for other purposes.

[3rd July 1975]

WHEREAS—

(1) The Friends' Provident Life Office (hereinafter called "the Office") was established in 1832 under the laws then in force relating to friendly societies under the name of Friends' Provident Institution with the object of raising by subscription amongst the members thereof a fund for the mutual benefit, relief and maintenance of such members, their wives, children or relations or such other persons as might become entitled under the rules of the Office for the time being in force and which might be effected by any of the modes of assurance in such rules mentioned:

(2) By the Friends' Provident Institution Act 1915 (hereinafter 1915 c. xlv. called "the Act of 1915") the Office was incorporated with new objects and powers and the previously existing rules of the Office were repealed and new regulations and rules substituted for the government and management of the business and affairs of the Office:

(3) As from 1st January, 1920, the Office adopted the name of Friends' Provident and Century Life Office and as from 14th May, 1973, the Office changed its name to that which it now bears:

(4) It is expedient, in order to enable the Office to carry on its business to the best advantage and to regulate the management of its affairs in accordance with present-day requirements and practice, that the objects and powers of the Office should be extended, that new rules should be substituted for the existing rules as the rules of the Office and that further provision should be made for the regulation and management of the Office:

1899 c. lv. (5) It is expedient that the Friends' Provident Institution Act 1899 and the Act of 1915 should be repealed:

(6) It is expedient that the other provisions contained in this Act should be enacted:

(7) The purposes of this Act cannot be effected without the authority of Parliament:

May it therefore please Your Majesty that it may be enacted, and be it enacted, by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

Short title. 1. This Act may be cited as the Friends' Provident Life Office Act 1975.

Interpretation. 2.—(1) In this Act, except as otherwise provided or unless the context otherwise requires—

“ directors ” means the directors of the Office for the time being;

“ enactment ” means any enactment, whether public general or local, and includes any order, byelaw, rule, regulation, scheme or other instrument having effect by virtue of an enactment;

“ existing ” means existing immediately before the passing of this Act;

“ insurance ” means any contract made in consideration of a premium or premiums for the payment of any money on the happening of any contingency or event whether dependent on or connected with life or not or any contract for the payment of any annuity and includes a contract formerly designated assurance;

“ members ” means the members of the Office as defined by the rules;

“ the Office ” means the Friends' Provident Life Office;

“ policy ” means the instrument evidencing an insurance;

“ rules ” means the rules of the Office for the time being in force;

“ special resolution ” means a resolution of the Office passed by a majority of not less than three-fourths of such members as vote in person or by proxy at a general meeting of which not less than twenty-one days' notice specifying the intention to propose the resolution as a special resolution shall have been duly given.

(2) Unless the subject or context otherwise requires references in this Act to any enactment shall be construed as references to that enactment as applied, extended, amended or varied by or by virtue of any subsequent enactment, including this Act.

3. Subject to the provisions of this Act the enactments Repeals mentioned in Schedule 1 to this Act are hereby repealed.

4. Notwithstanding the provisions of section 3 (Repeals) of this Act and without prejudice to the operation of section 38 of the Interpretation Act 1889—

Saving for incorporation of Office, etc. 1889 c. 63.

(a) the Office shall remain incorporated by the name of “ Friends' Provident Life Office ” and its members shall be the persons designated as such by the rules:

Provided that nothing in this paragraph shall prevent the Office from changing its name in the manner provided by this Act;

(b) the Office shall retain all existing assets and rights vested in it and shall remain subject to all existing liabilities incurred by it;

(c) subject to the provisions of paragraph (a) of this section any existing person entitled to the benefit of any existing insurance of the Office shall retain all the existing rights, subject to the existing liabilities, attaching to that insurance.

5.—(1) The persons who immediately before the passing of this Act were the directors of the Office shall, subject to the provisions of this Act and to the rules, continue to be the directors of the Office.

Existing directors and officers to continue.

(2) All officers, servants, agents and others in the employment of the Office immediately before the passing of this Act shall continue to hold their respective offices and employments under the Office with the like rights and privileges and subject to the like conditions, obligations and penalties, the same powers of removal and the same rules, restrictions and regulations as attached or related to those offices and employments immediately before the passing of this Act.

Removal of director from office.

6.—(1) The Office may by ordinary resolution remove a director from office.

(2) Not less than twenty-one days' notice of a meeting at which a resolution to remove a director from office is to be proposed shall be given to the director who shall be entitled to receive a copy of the proposed resolution and the director shall be entitled to be heard on the resolution at the meeting.

Change of name.

7. The Office may by special resolution and with the consent of the Secretary of State change its name but no such change of name shall be effective until it is gazetted in the London Gazette and no such change of name shall affect any rights or obligations or render defective any legal proceedings by or against the Office and any legal proceedings that might have been continued or commenced by or against the Office by its former name may be continued or commenced by or against the Office by its new name.

Form of bills of exchange and promissory notes.

8. A bill of exchange or promissory note shall be deemed to have been made, accepted or endorsed on behalf of the Office if made, accepted or endorsed in the name of or by or on behalf or on account of the Office by any person acting under its authority.

Limitation of liability of members, directors and officers.

9. The funds of the Office shall alone be liable to answer and make good all claims and demands in respect of every policy of insurance and grant of annuity or other liability or debt of the Office.

Power to minors to effect insurances with the Office.

10. A minor may effect insurances with the Office and may, if over sixteen years of age by himself and if under that age by his parent or guardian, execute all instruments, give all necessary discharges and receipts and (subject to the provisions of the rules) enjoy all the privileges and shall be liable to all the responsibilities appertaining to members of full age (except that a person while a minor shall not be a director or trustee or a member of any committee of the Office) notwithstanding his incapacity or disability in law to act for himself.

Protection of Office as to trusts and power to deal with insurances.

11. The Office shall not be bound to see to the execution of any trust whether express, implied or constructive to which the moneys due under any policy granted by the Office may be subject and a discharge of the Office in respect of such moneys by the person in whom the right thereto may be legally vested shall in all cases be a sufficient discharge and exoneration to the Office of and from all liability in respect thereof notwithstanding any trust to which such moneys may then be subject or any notice of such

trust. Any trustee or mortgagee in whom an insurance is for the time being legally vested may deal with the insurance at his absolute discretion as if he were absolutely entitled thereto (unless he is expressly prohibited from so doing by the terms of his trust or mortgage).

12. An examined copy of the enrolment of every memorial enrolled or registered under the Friends' Provident Institution Act 1899 shall be received in evidence as proof of the contents of the memorial and proof shall not be required that the person by whom the memorial purports to be verified by statutory declaration was the public officer of the Friends' Provident Institution before its incorporation by the Friends' Provident Institution Act 1915.

Examined copy of enrolment of memorial to be evidence.
1899 c. lv.
1915 c. xlv.

13.—(1) On the passing of this Act, the rules set forth in Schedule 2 to this Act shall become and be the rules of the Office in lieu and to the exclusion of its existing rules.

Rules.

(2) The Office may by special resolution repeal, alter and make new rules.

(3) No alteration of any rule or new rule shall be made which would be inconsistent with this Act or with section 205 of the Companies Act 1948.

1948 c. 38.

14.—(1) The objects of the Office are—

Objects of the Office.

- (a) to carry on life insurance and annuity business; and without prejudice to the generality of the foregoing to effect and carry out insurances on lives and survivorships or for terms certain and endowment insurances and insurances for infants and other persons, to undertake retirement benefits and group insurance business in all its aspects and branches; to grant, purchase or sell annuities and pensions either on or for lives or otherwise and whether immediate or deferred;
- (b) to carry on sickness, disease and accident insurance business in all its aspects and branches;
- (c) to carry on the business of granting insurances for the payment of money or money's worth on the happening of any one or more contingencies or events whether dependent on or connected with life or survivorship or not;
- (d) to reinsure such part of all or any of the risks of the Office and to undertake such risks by way of reinsurance as may from time to time be considered expedient;
- (e) to carry on any other business which in the opinion of the directors may be advantageously carried on in

connection with or as ancillary to any of the businesses or activities authorised by this section or which the directors consider is calculated to enhance directly or indirectly the value of any of the Office's undertaking, property or assets;

(f) to do all such other things as are incidental, conducive or ancillary to the attainment of the objects set out in paragraphs (a) to (e) inclusive of this subsection or any of them;

(g) to do all or any of the things hereinbefore authorised in any part of the world.

(2) The rules shall define the powers of the Office in carrying out any of its objects as set out in subsection (1) of this section:

Provided that nothing in this subsection shall be taken as authorising the incorporation in or alteration by the rules of any object of the Office not otherwise authorised by subsection (1) of this section.

Office not exempt from provisions of general Acts. 1974 c. 49.

15. Nothing in this Act shall be deemed to exempt the Office from the provisions of the Insurance Companies Act 1974 or from the provisions of any general Act passed during the present or any future session of Parliament affecting insurance companies formed previously to the passing thereof.

Costs of Act.

16. All costs, charges and expenses preliminary to and of and incidental to the preparation, obtaining and passing of this Act, or otherwise in relation thereto, shall be paid by the Office.

SCHEDULES

SCHEDULE 1

ENACTMENTS REPEALED

Section 3.

Friends' Provident Institution Act 1899.

1899 c. lv.

Friends' Provident Institution Act 1915.

1915 c. xlv.

Section 13.

SCHEDULE 2

RULES OF FRIENDS' PROVIDENT LIFE OFFICE

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INTERPRETATION

SCH. 2

—cont.

- 1.—(1) In the rules, unless the subject or context otherwise requires—
- “ Act of 1974 ” means the Insurance Companies Act 1974; Interpretation.
1974 c. 49.
- “ Act of 1975 ” means the Friends' Provident Life Office Act 1975;
- “ actuary ” means the actuary for the time being appointed by the directors in accordance with the Insurance Companies Amendment Act 1973 or the Act of 1974; 1973 c. 58.
- “ auditors ” means the auditors for the time being appointed by the Office in accordance with rule 60;
- “ employee ” means a person who is in the full-time employment of the Office or of one or more of its subsidiary companies or of the Office jointly with one or more of its subsidiary companies;
- “ holder of a participating policy ” means the person for the time being entitled at law to a participating policy;
- “ majority of votes cast ” and “ majority of members voting ” in relation to the proceedings at or arising out of general meetings shall mean the majority prescribed in respect of the resolution in question;
- “ participating policy ” means a policy carrying a right to participate in the profits of the Office;
- “ person insured ” means—
- (a) the person by whom a policy is effected with the Office; and
- (b) in the case of a person upon whose life a policy has been effected under the terms of a scheme for the provision of retirement benefits and to whom such policy shall upon or subsequently to his withdrawal from such scheme have been assigned, that person; and
- (c) in the case of a policy effected by trustees, the trustees for the time being of the policy, whether original, additional or substituted;
- “ policyholder ” means the person for the time being entitled at law to a policy;
- “ principal office ” means the principal office of the Office for the time being;
- “ secretary ” means the person for the time being appointed by the directors to be secretary of the Office and includes any officer appointed by the directors to carry out the duties of secretary;
- and any words or expressions defined in the Act of 1975 shall have the same meaning in the rules.

(2) The Interpretation Act 1889 shall apply for the interpretation 1889 c. 63. of the rules as it applies for the interpretation of an Act of Parliament.

SCH. 2
—cont.

(3) Unless the subject or context otherwise requires—

- (a) references in the rules to any enactment shall be construed as references to that enactment as applied, extended, amended or varied by or by virtue of any subsequent enactment; and
- (b) words or expressions defined in the Act of 1974, unless defined by paragraph (1) of this rule, shall have the same meaning in the rules.

POWERS OF THE OFFICE

General powers.

2. Pursuant to subsection (2) of section 14 (Objects of the Office) of the Act of 1975 and without prejudice to the general implied powers of the Office in carrying out its objects as set out in subsection (1) of the said section, the Office shall have the following powers in carrying out its objects aforesaid:—

- (a) to act as and hold the office of executor, trustee, factor, manager or receiver or any position of trust or confidence for remuneration and to perform duties and functions incidental thereto and to transact all kinds of trust, administration and agency business;
- (b) to carry out any of its said objects either alone or in conjunction with others and either directly or by or through agents, trustees, wholly or partially owned companies or others;
- (c) to enter into and to carry into effect any contract or agreement for purchasing, acquiring or taking over all or any of the business, property, rights and liabilities of, or amalgamating with, any other society, association or company carrying on any business within the objects of the Office or for undertaking, paying and performing all or any of the insurances, annuities and obligations of any such other society, association or company.

Investments.

3. The moneys of the Office may be laid out in such manner and to such advantage, either alone or in conjunction with others, as the directors think fit and, without prejudice to the generality of the foregoing, the moneys of the Office may be applied or invested in the United Kingdom or elsewhere in any part of the world—

- (a) in the acquisition (whether by subscription, tender, purchase, exchange or otherwise howsoever) or underwriting or on the security of any stocks, funds, shares or securities whatsoever;
- (b) in the purchase, improvement or development or on the security of lands, tenements or hereditaments, of any description or tenure (including leaseholds), or of any interest therein or right connected therewith;
- (c) in the acquisition, promotion, formation or organisation of any company or business for any purpose;
- (d) in the lending or deposit of money to or with such persons and on such terms as the directors may think fit.

Power to deal with property.

4. The Office may deal with and dispose of any property or investments or other assets belonging to the Office on such terms as the directors may think proper in the interests of the Office.

5. The Office may make such reasonable donations (including charitable or other donations by means of deed of covenant) as the directors think proper. SCH. 2
—cont.
Donations.

6. The Office may receive money on deposit or loan or for accumulation; and may borrow or raise money in such manner as the directors may think fit, and in particular by the issue of promissory notes or the issue of debentures or debenture stock or other securities (perpetual or otherwise), and may secure the repayment of any money borrowed, raised or owing by mortgage, charge or lien upon all or any of the property or assets of the Office (both present and future); and may also by mortgage, charge or lien secure and guarantee the performance by the Office or any other person of any obligation undertaken by the Office or any other person as the case may be. Borrowing powers.

7. The Office shall have the right to guarantee the fulfilment of contracts and obligations including power to guarantee dividends or shares and the interest on any redemption of debentures issued by any other company, and to give indemnities, warranties and bonds and to acquire share warrants and options in respect of shares. Guarantees.

MEMBERS

8. The members of the Office shall consist of all persons who are persons insured either on or after the date on which the rules come into force, and who have not ceased to be members by virtue of rules 10 and 11: Members.

Provided that where two or more persons are the persons insured in respect of any one policy, only one person shall be a member by virtue of that policy, and that person shall be such one of the persons insured in respect of that policy as shall have been nominated from time to time by notice in writing signed by all persons insured in respect of that policy and given to the Office at the principal office, or in the absence of any subsisting nomination the person or surviving person for the time being (if any) first named in the policy.

9. Membership of every person insured who effects a policy after the date on which the rules come into force shall commence from the date of formal acceptance of his proposal or of payment of the first premium, instalment or other contribution due under the policy, whichever shall be the later date. In respect of a policy effected under the terms of a scheme for the provision of retirement benefits and assigned the membership of such assignee shall commence from the date when the Office receives notice in writing at its principal office of such assignment. Commencement of membership.

10. Membership shall subsist only so long as the conditions of the policy and of the rules are fulfilled. Duration of membership.

SCH. 2

—cont.

Termination of membership.

11. Membership shall cease upon—

- (a) the occurrence of the event or contingency upon which the benefit or last of the benefits payable under the policy falls due; or
- (b) the occurrence of any event or contingency upon which the policy ceases to be in force but so nevertheless that in the event of the policy being revived in accordance with the conditions thereof and of the rules, membership shall likewise revive; or
- (c) the surrender of the policy; or
- (d) the absolute assignment by a member of a policy effected under the terms of a scheme for the provision of retirement benefits.

GENERAL MEETINGS

General meetings.

12. General meetings of the Office shall be held from time to time as may be necessary in the interests of the Office at such times and places as the directors shall decide.

Annual general meetings.

13. The Office shall in each year hold an annual general meeting and shall specify the meeting as such in the notice calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the Office and that of the next.

Other general meetings.

14. All general meetings other than annual general meetings shall be called extraordinary general meetings.

Extraordinary general meetings.

15.—(1) The directors may and upon receipt of a valid requisition shall call an extraordinary general meeting.

(2) Upon receipt of a valid requisition of not less than one hundred members the directors shall call an extraordinary general meeting to be held within sixty days after the receipt of such requisition.

A valid requisition shall be one which specifies the particular business for which such meeting is to be called, and is in writing signed by not less than one hundred members and is deposited at the principal office; provided that it may consist of one or more documents in like form each signed by one or more requisitionists, and provided further that if in the opinion of the directors the particular business for which the meeting has been called has already been discussed and decided upon at a general meeting within the period of six months immediately preceding the date of the requisition, they may direct that the requisition be disregarded and paragraph (3) hereof shall not be invoked in such circumstances.

(3) In the event of the directors refusing or neglecting to call an extraordinary general meeting when required to do so by a valid requisition the requisitionists may call such extraordinary general meeting, but any meeting so called shall not be held after four months from the date of the deposit of such requisition.

(4) Every extraordinary general meeting, whether called by the directors or by requisition, shall be called by notice in the manner prescribed by rule 16.

SCH. 2
—cont.

NOTICE OF GENERAL MEETINGS

16.—(1) Notice of the holding of any general meeting specifying the place, day and hour of the meeting, and in the case of special business the general nature of the business, shall be given by advertisement in one or more of the London morning newspapers and in a newspaper or newspapers circulating in the Republic of Ireland, the Commonwealth of Australia and, in the case of a meeting called by the directors, in such other countries as the directors may from time to time determine not less than twenty-one days before such meeting, excluding the day on which the advertisement appears and the day of the meeting. Not less than twenty-one clear days' notice of any general meeting shall also be given to the auditors, but the accidental omission so to give such notice shall not invalidate the proceedings at such general meeting.

Notice of
general
meetings.

(2) In every notice or advertisement calling a general meeting there shall appear with reasonable prominence a statement that a member is entitled to appoint a proxy to attend and vote instead of him, and that a proxy need not also be a member.

(3) Where the meeting is to be called to consider a special resolution there shall be included in the notice of the meeting either the actual resolution proposed to be passed, or sufficient specification to show the effect of the proposed resolution together with a statement that the actual resolution proposed can be inspected during normal business hours at the principal office and any other office designated by the directors under rule 55.

(4) Where a general meeting is called by requisitionists notice of the holding of such meeting shall also be served not less than twenty-one clear days before the meeting on the Office at the principal office.

PROCEEDINGS AT GENERAL MEETINGS

17.—(1) All business shall be deemed special that is transacted at an extraordinary general meeting, and also all business that is transacted at an annual general meeting with the exception of the consideration of the accounts and balance sheet and the reports of the directors and auditors, the election of directors in place of those retiring, and the appointment or reappointment and fixing of the remuneration of the auditors.

Business at
general
meetings.

(2) The annual general meeting shall not proceed to any business unless the same shall arise immediately out of the routine business of the meeting or shall have been properly intimated in accordance with the provisions of the rules.

(3) An extraordinary general meeting shall not proceed to any business other than the business for which such meeting shall have been called.

SCH. 2
—cont.
Quorum.

18.—(1) Ten members personally present shall constitute the quorum of a general meeting. Except as hereinafter provided business shall be transacted only while a quorum is present.

(2) If within fifteen minutes after the time appointed for the holding of a general meeting a quorum is not present, the meeting if convened upon the requisition of members shall be dissolved; in any other case the meeting shall without further notice be adjourned to the same day in the next week at the same hour and place, or to such other day and at such other time and place as the chairman may determine, and if at such adjourned meeting a quorum is not present at the time appointed for the meeting those members present shall be deemed to be a quorum, and may transact the business for which the meeting was called.

Chairman.

19.—(1) The chairman, if any, of the directors shall preside as chairman at every general meeting of the Office, or, if there is no such chairman or if he shall not be present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act, a deputy chairman of the directors shall preside, or, if there is no deputy chairman or no deputy chairman is present within fifteen minutes after the time appointed for holding the meeting or he is unwilling to act, the directors present shall elect one of their number to be chairman of the meeting, or, if there is only one director present, such director shall preside as chairman of the meeting.

(2) If at any general meeting no director is willing to act as chairman, or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their number to be chairman of the meeting.

Adjournment.

20.—(1) The chairman may with the consent of any general meeting at which a quorum is or is deemed under rule 18 to be present, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

(2) At an adjourned general meeting the chairman of the meeting from which such adjournment took place if present shall continue in the chair, but if he is not present or is unwilling to act a new chairman shall be appointed or elected in accordance with the provisions of rule 19.

Voting.

21.—(1) At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (either before or on the declaration of the result of the show of hands) a poll is demanded by the chairman of the meeting or by at least ten members present in person or by proxy.

(2) In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands

takes place or at which the poll is taken shall be entitled to a second or casting vote in addition to any other vote to which he may be entitled.

SCH. 2
—cont.

(3) Unless a poll be so demanded a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Office shall be conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour of or against such resolution.

(4) The demand for a poll may be withdrawn.

22.—(1) A poll demanded on the election of a chairman or on a question of adjournment shall be taken immediately. A poll demanded on any other question shall be taken either immediately or at such time and place (not being more than ninety days after the day of the meeting) and in such manner (including the use of ballot or voting papers) as the chairman of the meeting may decide. On a poll so taken otherwise than immediately—

(a) the decision shall be in accordance with the majority of votes cast provided the members comprising that majority together hold five per cent. or more of the number of policies in force;

(b) if the majority of members voting do not hold five per cent. of the number of policies in force and the directors have, subsequent to the meeting but before the poll is taken, determined by board resolution to support or oppose the resolution the decision shall be in accordance with the said board resolution;

(c) if the majority of members voting do not hold five per cent. of the number of policies in force and the directors have not determined by board resolution either to support or oppose the resolution the decision shall be in accordance with the majority of votes cast.

For the purposes of this rule the number of policies in force shall be the number of contracts shown by the return made last before the meeting in accordance with Part IV of Schedule 3 to the Insurance Companies (Accounts and Forms) Regulations 1968.

S.I. 1968/1408.

(2) The chairman of the meeting may direct that a poll shall be taken by the issue or sending to and subsequent collection or receipt from members of voting papers provided that in this respect it shall be necessary to issue or send papers only to persons who are actually liable for the payment of premiums at the time of the issue of voting papers.

(3) The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

(4) Any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

(5) No notice need be given of a poll.

SCH. 2
—cont.Validity of
proceedings.

23. No resolution of or proceedings at any general meeting or poll shall be invalidated by reason of it being discovered subsequently thereto that one or more of the persons attending the same and voting thereat were not qualified to vote or that there has been some accidental or other bona fide omission to observe any requirement under the rules as to the calling or holding of such meeting or poll.

VOTING OF MEMBERS

Voting rights.

24. At a general meeting every member present in person shall have one vote on a show of hands. On a poll every member present in person or by proxy shall have one vote.

Vote of
corporations.

25. A corporation being a member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any general meeting of the Office and such person so authorised shall be entitled to exercise the same powers on behalf of such corporation as that corporation could exercise if it were an individual member.

Persons of
unsound mind.

26. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may attend, act and vote at any general meeting of the Office whether on a show of hands or on a poll, by his committee, receiver, curator bonis or other person in the nature of a committee, receiver or curator bonis appointed by the court.

Power to
appoint proxy.

27. Any member shall be entitled to appoint another person (who need not be a member) to attend at any general meeting of the Office, and vote instead of him. A proxy shall not be entitled to vote except on a poll, and shall not be entitled to speak at the meeting except to demand or join in demanding a poll.

Execution of
proxies.

28. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised, and shall specify the policy in respect of which the appointee claims to vote.

Deposit of
proxies.

29. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, shall be deposited at the principal office, or at such other place (if any) within the United Kingdom as is specified for that purpose in the notice convening the meeting, not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll, not less than twenty-four hours before the time appointed for the taking of the poll, and in default the instrument appointing a proxy shall not be valid.

SCH. 2
—cont.Qualification of
directors.

34.—(1) The office of director shall, subject to paragraph (2) hereof, be held only by members.

(2) A person who is not a member may hold the office of director, provided that if he does not become a member within two months of his appointment as director, he shall vacate his office.

(3) (a) In addition to the other requirements of this rule, a person who is not a Friend shall not be eligible for appointment as a director unless there are at least five directors who are Friends.

(b) In this paragraph, "Friend" means a person who is a member of the Religious Society of Friends commonly called Quakers.

Rotation of
directors.

35.—(1) At each annual general meeting—

(a) one-fourth of the directors (or if their number is not a multiple of four the number nearest to but not exceeding one-fourth) or three directors (whichever is the greater number); and

(b) any directors appointed by the directors since the last preceding annual general meeting;

shall retire from office.

(2) The directors to retire under sub-paragraph (a) of paragraph (1) hereof shall be those who have been longest in office but as between persons who became directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

Eligibility for
re-election.

36. A retiring director shall be deemed to continue in office until the conclusion of the general meeting at which he retires and shall be eligible for re-election provided he is eligible under rule 34. The election of a director by a general meeting shall take effect at the conclusion of such meeting.

Election to
vacancies.

37. Subject to the rules, the Office at the annual general meeting may—

(a) fill the vacated offices of the directors retiring at such meeting by electing persons thereto;

(b) elect additional directors;

(c) elect persons to fill casual vacancies on the board of directors where such vacancies are unfilled at the date the annual general meeting is held.

Election of
directors.

38. No person (not being a retiring director) shall be elected as a director at any general meeting unless either he is recommended by the directors for election or, not less than one month before the date of such meeting, there have been given to the Office at the principal office notice in writing by not less than twenty-five members who shall each have completed a continuous period of five years' membership immediately prior to the date of such notice of the intention to propose such person for election at such meeting and also notice signed by the person to be proposed of his willingness to be elected.

Additional
directors and
casual vacancies.

39. Subject to the provisions of the rules the directors may from time to time appoint any person to be a director either to fill a casual vacancy or as an additional director.

40. The continuing directors may act notwithstanding any vacancy in their body, provided that if the number of the directors be less than the prescribed minimum, the remaining directors shall forthwith appoint additional directors to make up such minimum, or convene a general meeting of the Office for the purpose of making such appointments.

SCH. 2
—cont.
Continuing directors acting.

41. The directors shall be entitled to receive as remuneration for their services in each year such sums as may from time to time be voted by the Office in general meeting, and such remuneration shall be divided among them as the directors may determine. The directors shall be paid their reasonable travelling and incidental expenses in connection with the business of the Office. If any director shall be called upon to perform extra services for any of the purposes of the Office the Office may pay to such director such reasonable special remuneration as may be determined by the directors in addition to his share in the remuneration above referred to.

Remuneration of directors.

42.—(1) No director shall be disqualified by his office from contracting with the Office either as vendor, purchaser, policyholder, borrower or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Office in which any director shall be in any way interested be avoided, nor shall any director so contracting or being interested be liable to account to the Office for any profit realised by any such contract or arrangement by reason of such director holding that office or the fiduciary relation thereby established. No director shall vote as a director in regard to any contract or arrangement entered into with himself personally but any director may vote in respect of any contract or arrangement in which he is otherwise interested, including any contract or arrangement with any company or corporation of which such director is a director, officer or member provided that the fact that he is so interested is disclosed to the directors or to the meeting of the directors at which the vote is taken.

Directors' other interests.

(2) A general notice to the directors that a director is a director, officer or member of any specified company or corporation shall be sufficient disclosure under this rule, and after such general notice it shall not be necessary to give any further notice relating to any particular transaction with such company or corporation.

(3) A notice under this rule may be given to the directors verbally at a meeting of the directors or in writing, and if in writing shall be sufficiently given to the directors if delivered to the secretary.

(4) A director may be or become a director of any company or corporation in which the Office may be interested as shareholder or otherwise, and no director unless he is also an employee of the Office shall be accountable to the Office for any benefits received as a director, member or officer of such company or corporation.

43. A director may hold any other office or employment (except that of auditor) under the Office in addition to the office of director, and on such terms as to remuneration and otherwise as may be arranged.

Holding of other offices.

SCH. 2

—cont.

Disqualification
of directors.

DISQUALIFICATION OF DIRECTORS

- 44.—(1) The office of director shall be vacated if the director—
- (a) does not become a member within two months after his election or appointment; or
 - (b) ceases to be a member and does not become again a member within two months; or
 - (c) becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - (d) becomes of unsound mind; or
 - (e) resigns his office by notice in writing to the Office; or
 - (f) shall for more than six months have been absent without permission of the directors from all meetings of the directors held during that period; or
 - (g) is requested to resign by a vote of three-fourths of his co-directors; or
 - (h) without the prior consent of the directors accepts a directorship of or any office whatever in any other life insurance company life office or other company engaged in insurance business or any associated company or subsidiary thereof (other than a company or office owned or controlled by the Office).

(2) A resolution of the directors declaring that a director has vacated his office shall be conclusive as to the fact and ground of disqualification stated in the resolution.

Retirement of
directors over
seventy.

45.—(1) No person shall be eligible for the office of director if he has attained the age of seventy and a director who has attained that age shall vacate his office at the conclusion of the next annual general meeting after he attains that age.

(2) Subject to the provisions of section 10 (Power to minors to effect insurances with the Office) of the Act of 1975, a person may be appointed a director at any age and a director shall not be required to retire as aforesaid if his appointment is or was made or approved by the Office in general meeting but no resolution appointing or approving the appointment of a director for the purposes of this paragraph shall be effective unless in addition to any other requirements in the rules notice of the intention to move such resolution and of the age of the person to whom the resolution relates has been given in the notice calling the meeting.

PROCEEDINGS OF DIRECTORS

Chairman and
deputy
chairmen.

46.—(1) The directors may elect a chairman and not more than two deputy chairmen and determine the period for which they are respectively to hold office.

(2) The chairman and deputy chairmen shall be eligible for re-election to those posts.

(3) If at any meeting of the directors the chairman is not present at the time appointed for the meeting a deputy chairman shall take the chair; but if there is no deputy chairman, or if no deputy chairman is then present or willing to take the chair, the directors then present may choose one of themselves to take the chair at that meeting.

47. The quorum necessary for the transaction of the business of the directors may be fixed from time to time by the directors, and unless and until otherwise fixed, shall be three.

SCH. 2
—cont.

Quorum.

48. Questions arising at a meeting of the directors shall be decided by a majority of votes (the chairman of the meeting in the case of an equality of votes to have a second or casting vote):

Voting.

Provided that—

- (a) if all the directors who are Friends (as defined in rule 34) are present at the meeting or have previously to the meeting intimated in writing to the chairman or the secretary their vote on the question under consideration and their votes are unanimous and the question under consideration is one that in their unanimous opinion raises issues involving Friends' principles then the decision made shall be in accordance with such votes;
- (b) if the directors present at the meeting when a decision is taken by the method prescribed in paragraph (a) of this proviso by a majority so resolve a statement of the facts and circumstances concerning the decision shall be made to the next general meeting.

49.—(1) The directors may delegate any of their powers or duties to committees consisting of one or more persons (whether directors or not), as they may think fit, with power to sub-delegate, and with such remuneration (if any) as the directors may determine, but any committee so appointed shall, in the exercise of the powers delegated, conform to any regulations imposed on them by the directors.

Committees.

(2) The directors may appoint a chairman of meetings of any committee. If no such appointment is made or if any chairman so appointed is not present at the time fixed for the holding of a meeting of the committee, the members of the committee present may elect one of their number to be chairman of that meeting.

(3) A committee may meet and adjourn as it may think fit; questions arising at any meeting shall be determined by a majority of votes of the members of the committee present, provided that the majority of members present shall be directors; and in case of an equality of votes the chairman of that meeting shall have a second or casting vote.

(4) Subject to any conditions laid down by the directors where the membership of a committee is two or more the quorum necessary for the transaction of business shall be two.

50. Every act done by a meeting of directors or of a committee of directors, or by any person acting as a director, shall, notwithstanding any defect in the appointment, or any disqualification of any person party to or doing the act, be as valid as if there had been no such defect or disqualification.

Validity of
proceedings.

51. A resolution in writing which has (or copies of which have) been signed by all the directors or such persons who are members of a committee (except those directors or persons who for the time being are outside the United Kingdom or the Republic of Ireland) shall be as valid and effectual as if it had been passed at a meeting of the directors or committee meeting duly called and constituted.

Decisions of
directors
without
meeting.

SCH. 2

—cont.

General
powers.

POWERS AND DUTIES OF DIRECTORS

52. The directors shall have the general control and management of the business of the Office with power to delegate any of their powers and duties (other than the power to appoint directors) in such manner as they may think fit and they may in addition to the powers and authorities expressly conferred on them by the rules exercise all such powers and do all such acts and things as can lawfully be exercised or done by the Office and as are not by any Act of Parliament or by the rules expressly directed or required to be exercised or done by a general meeting, but so that no alteration to the rules shall invalidate any prior act of the directors. The Office may by resolution in general meeting ratify or confirm any act purported to be done by the directors on behalf of the Office which they were not by the rules authorised to do and any act so ratified or confirmed shall be as effective as if it had been authorised by the rules.

Local directors,
boards or
committees.

53.—(1) The directors may from time to time appoint such persons as they think fit to be local directors, a local board, advisory board or committee in any place in the United Kingdom, or elsewhere in any part of the world, with such powers, duties and discretions (including power to sub-delegate) and at such remuneration, for such periods and subject to such regulations as the directors may from time to time determine.

(2) No qualifications shall be required for appointment as a local director or for membership of a local board, advisory board or committee unless and until the directors prescribe a qualification.

(3) Any local board, advisory board or committee may be discontinued, and a local director or member of a local board, advisory board or committee may be removed by the directors.

Minutes of
proceedings.

54.—(1) The directors shall cause minutes to be entered in proper books of all the proceedings of general meetings, and of the names of the directors present at each meeting of directors, and of all orders and proceedings thereof.

(2) Those minutes, if appearing to be signed by the chairman of the meeting, or of the next succeeding meeting, or in the case of a general meeting by the chairman for the time being of the directors, shall be evidence of the matters therein stated.

Provision of
offices.

55.—(1) Unless and until the directors otherwise determine the principal office shall be in London, and the directors shall provide and maintain suitable buildings for the purpose of that office, and of such other offices in London and elsewhere in any part of the world as they may from time to time think fit.

(2) The directors may designate an office to be a chief office or a registered office or head office in any country in which the Office conducts business outside the United Kingdom.

56.—(1) The directors may from time to time appoint such officers, agents and servants of the Office as they may deem necessary, and may assign to them their duties, and fix their remuneration and other benefits, which shall be provided out of the funds of the Office, and may require security from any of them; and may remove all or any of them as the directors may think proper.

Sch. 2
—cont.

Appointment
and
remuneration
of officers and
others.

(2) The directors may establish and maintain or procure the establishment and maintenance of any non-contributory or contributory pension or superannuation fund for the benefit of, and may give or procure the giving of or make such contributions as they think fit to provide pensions, allowances, gratuities or bonuses or death or disability benefits to or in respect of, any persons who are or were directors, officers or others in the employment of the Office or of any company which is or was directly or indirectly a subsidiary of the Office or is or was allied to or associated in business with the Office, and the husbands, wives, widowers, widows, families, dependants, and personal representatives of any such persons.

ACCOUNTS

57. The directors shall cause proper accounting records to be kept of all sums of money received and expended by the Office, matters to which the receipts and expenditure relate, and of the property, assets and liabilities of the Office.

Books of
the account.

58. No member shall have any right of inspecting any document or accounts of the Office except as authorised by any Act of Parliament, or by the rules, or by the directors, or by a special resolution.

Inspection of
books.

59. The directors shall from time to time cause to be prepared a revenue account and balance sheet which together with the directors' report and auditors' report shall be laid before the Office in general meeting and every member and every policyholder shall on application be entitled to receive copies thereof.

Copies of
accounts.

AUDITORS

60. The auditors for the time being of the Office shall be appointed and their duties regulated in accordance with the Companies Acts 1948 to 1967 and section 17 of the Act of 1974.

Auditors of
the Office.

SPECIAL FUNDS

61. The directors may from time to time form special or reserve funds for any special purpose they may determine and may carry to any such fund moneys, funds and property of the Office sufficient for that purpose and such special or reserve funds shall be dealt with in such manner as the directors may from time to time determine.

Formation of
special funds.

SCH. 2
—cont.

DISTRIBUTION OF PROFITS

Periodical
investigation.

62. The directors shall once in every period of three years or in such shorter period as they may determine cause an actuarial investigation to be made by the actuary into the financial condition of the Office to determine the amount (if any) of the surplus available for distribution. Each actuarial investigation shall be on such bases and utilise such methods of valuation as the directors shall determine and shall take account of the whole of the liabilities and assets of the Office including any special or reserve funds established under rule 61.

Declaration
of bonus.

63. The directors shall allocate to participating policies the whole or such part of the amount of surplus available for distribution as they shall think fit having regard to the advice of the actuary and the surplus so allocated shall be applied as bonus additions or otherwise to such of the said policies as are in force at the date of the periodic investigation or at such other date as the directors may determine. The bonuses declared by the directors for each class of policy shall be at such rates payable at such times and generally applied in such manner as the directors having regard to the advice of the actuary shall consider to be fair and equitable as between the holders of each class of policy.

Interim
bonuses.

64. The directors may from time to time declare such sums to be payable by way of interim bonus as they may consider to be justified by the financial condition of the Office. The interim bonus shall be at such rates and payable on such conditions as the directors having regard to the advice of the actuary consider to be fair and equitable.

SEALING AND SIGNING OF DOCUMENTS

Seal.

65. The directors shall provide for the safe custody of the common seal of the Office and may make regulations as to the precautions to be taken when the seal is to be affixed to any deed or other writing.

Facsimile
seal.

66.—(1) The Office may have for use in any territory, district or place not situate within the United Kingdom an official seal which shall be a facsimile of the common seal of the Office with the addition on its face of the name of the territory, district or place where it is to be used.

(2) The Office may have for use in Scotland an official seal which shall be a facsimile of the common seal of the Office.

(3) The directors may by writing under the common seal of the Office authorise persons appointed for the purpose in Scotland or in any territory, district or place not situate within the United Kingdom as their agents to affix such official seal to any deed or other writing to which the Office is a party in Scotland or in that territory, district or place.

SCH. 2
—cont.

(4) The authority of each such agent shall as between the Office and any person dealing with such agent continue during the period mentioned in the writing conferring the authority or if no period is therein mentioned then until notice of the revocation or determination of the authority of such agent has been given to the person dealing with him.

(5) The agent affixing such official seal shall by writing under his hand on the deed or other writing to which such seal is affixed certify the place and date of affixing the same.

(6) A deed or other writing to which such official seal is duly affixed shall bind the Office as if it had been sealed with the common seal of the Office.

67.—(1) All policies, contracts, cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, receipts and other deeds and documents requiring to be signed, drawn, accepted, endorsed or otherwise executed on behalf of the Office shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, by such persons and in such manner as the directors shall from time to time determine.

Signatures of policies, cheques and other documents.

(2) The directors may, either generally or in any particular case, determine that the signature of a director or of the secretary or of any other person duly authorised by them to sign may be printed or affixed by some mechanical device to be specified by the directors, and the directors may prescribe precautions as to the use and safe custody of such device.

ARBITRATION

68. Every matter in dispute between the Office (or any officer or person acting on behalf of the Office) and any member or former member in regard to the construction or effect of the rules shall be referred to a single arbitrator if the parties can agree upon one, and otherwise to two arbitrators, and in either case under the provisions of the Arbitration Act 1950.

Arbitration.

1950 c. 27.

NOTICES

69.—(1) (a) Any notice required to be given by the Office as a result of a policy effected with any branch of the Office in the United Kingdom or Republic of Ireland to a member or policyholder may be served by the Office on that person either personally or by sending it through the post in a pre-paid letter addressed to him at his registered address (if any) in the United Kingdom or in the Republic of Ireland. Any member or policyholder to whom this sub-paragraph applies whose registered address is not in the United Kingdom or in the Republic of Ireland may from time to time give to the Office an address in the United Kingdom or in the Republic of Ireland to which notices may be sent and save as aforesaid it shall not be necessary to give, issue or send any such notice or document to any such person not having an address in the United Kingdom or in the Republic of Ireland.

Service of notices.

SCH. 2
—cont.

(b) Any notice required to be given by the Office as a result of a policy effected with any branch of the Office in the Commonwealth of Australia to a member or policyholder may be served by the Office on that person either personally or by sending it through the post in a prepaid letter addressed to him at his registered address (if any) in the Commonwealth of Australia. Any member or policyholder to whom this sub-paragraph applies whose registered address is not in the Commonwealth of Australia may from time to time give to the Office an address in the Commonwealth of Australia to which notice may be sent and save as aforesaid it shall not be necessary to give, issue or send any such notice to any such person not having an address in the Commonwealth of Australia.

(c) Any other person not referred to in sub-paragraph (a) or (b) above may from time to time give to the Office an address in the United Kingdom or in the Republic of Ireland to which notices may be sent and shall be entitled to have notices sent to him at the latest such address given by him to the Office but save as aforesaid it shall not be necessary for the Office to send any notice to any person to whom this sub-paragraph applies not for the time being having a registered address in the United Kingdom or in the Republic of Ireland.

(2) The latest address of a member or policyholder entered in the records of the Office as his address shall be deemed to be his registered address for the purposes of this rule.

Service care of
banks.

70. Where any person pays premiums through a bank or other agent (whether by bankers' order or otherwise) a notice may be served by the Office on that person by addressing it to him care of such bank or agent, whether or not that person shall have notified the Office that such bank or agent or any other address is his address for service, and notice so served shall be good and sufficient notice.

Proof of
service.

71. A notice sent by post shall be deemed to have been served at the time when the letter containing it would be delivered in ordinary course, and in proving service it shall be sufficient to prove that the letter was properly addressed and that the envelope containing the notice was properly stamped and posted.

Authentication.

72. Any notice on behalf of the Office or its trustees or of the directors shall be sufficient if bearing the name of the secretary.

Service on joint
policyholders.

73. When two or more persons are policyholders a notice shall be deemed to have been served on all such persons by sending it to the person or surviving person for the time being first named in the policy or (where the policy has been assigned) in the notice of assignment received by the Office.

Service of
notices on the
Office.

74. In all cases in which it may be necessary for any person to serve a summons, writ, notice or other proceedings at law or otherwise

upon the Office by citation, notification or intimation in an action, suit or process which may be raised or instituted against the Office service thereof respectively upon the secretary either personally or by leaving the same at or by transmitting the same to the principal office or where appropriate the chief or registered office in any country outside the United Kingdom shall be deemed to be good service on the Office.

TRUSTEES

75.—(1) The directors may appoint any directors or officers of the Office or any other persons as trustees or nominees for the Office for any purposes and may execute and do all such deeds and things as may be requisite in relation to any such trusts and may provide for the remuneration of such trustees or nominees.

Directors may appoint trustees.

(2) The directors may authorise any trustees to delegate all or any of the powers vested in such trustees.

POLICIES

76. It shall rest wholly with the directors in their unfettered discretion to accept for such amounts, on such terms and subject to such conditions as they think fit, or to refuse, proposals for any policies authorised by the rules.

Power to impose conditions or refuse proposals.

77.—(1) In case at any time the funds for the time being in the hands of the Office prove insufficient for the payment of all the sums to be claimed under policies issued by the Office in respect of deaths happening during the prevalence of any plague, epidemic, famine, invasion, war or civil war or as a result of the explosion of any nuclear device the directors may defer the payment of the whole or part of each sum to be claimed in respect of any such death until the funds in the hands of the Office shall be sufficient for the payment of all the sums to be claimed under the policies issued by the Office in respect of such deaths as aforesaid.

Power to defer payment.

(2) Every sum whereof payment is deferred under this rule shall bear interest at such rate, not being less than 3 per cent. per annum, as the directors think fit, beginning from the time when the said sum ought to have been paid.

PROTECTION OF DIRECTORS, OFFICERS, TRUSTEES AND OTHERS

78. Every director, officer, agent and servant and every trustee or nominee for the time being of the Office is entitled to be indemnified out of the funds of the Office against all costs, charges, losses, damages and expenses which he incurs or is put to on account of any contract, act, deed, matter or thing made, done, entered into or executed by him on behalf of the Office, and to be reimbursed by the Office all reasonable expenses incurred by him in or about any legal proceedings or arbitration of the Office or otherwise in the execution of his office,

Indemnity of directors and others.

SCH. 2
—cont.

except such costs, charges, losses, damages and expenses as happen through his own neglect, default, breach of duty or breach of trust:

Provided that the Office may indemnify any such director, officer, agent, servant, trustee or nominee against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court.

Limitation of
responsibility
of directors
and others.

79. A director, officer, agent, servant, trustee or nominee of the Office shall not be chargeable for any money not actually received by him, nor be answerable for the act, receipt, neglect or default of any other director, officer, agent, servant, trustee or nominee, or of any banker, solicitor, broker, collector, agent or other person appointed by the directors with whom or into whose hands any property or money of the Office is deposited or comes, or for any defect in the title to property from time to time purchased, leased or taken by order of the directors on behalf of the Office, or for the insufficiency of any security on which any money of the Office is advanced or invested by order of the directors, or for any loss or damage happening in the execution of his office, unless that loss or damage happens through his own neglect, default, breach of duty or breach of trust.

Preservation
of existing
indemnity.

80. Any director, officer, agent, servant, trustee or nominee of the Office shall be entitled to the same right of exemption and indemnity in respect of anything done or omitted to be done by him prior to the coming into force of the rules as he would have been entitled to by virtue of the rules in force at the date of such act or omission.

POWERS OF ATTORNEY

Directors may
grant powers
of attorney.

81.—(1) The directors may from time to time by power of attorney appoint any persons in any part of the world to be attorneys of the Office for such purposes and with such powers, authorities and discretions and for such period and subject to such conditions as the directors think fit and any such appointment may if the directors think fit be made in favour of members of a local board or advisory board appointed by the directors or in favour of any company or firm or in favour of the members, directors, nominees or managers of any company or firm or in favour of any fluctuating body of persons whether nominated directly or indirectly by the directors or in favour of the holder for the time being of any office and any such power of attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the directors think fit.

(2) The directors may authorise attorneys appointed by them to delegate all or any of the powers vested in such attorneys.

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