

Scottish Amicable Life Assurance Society's Act 1976

CHAPTER xvi

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SCHEDULES:

- Schedule 1—Regulations of Scottish Amicable Life Assurance Society.
- Schedule 2—Enactments repealed.

ELIZABETH II



1976 CHAPTER xvi

An Act to repeal certain provisions of the Scottish Amicable Life Assurance Society's Acts 1849 to 1952 and to make further provision for the regulation and management of the Society; and for other purposes.

[22nd July 1976]

WHEREAS—

(1) By The Scottish Amicable Life Assurance Society's Incorporation Act 1849 (hereinafter referred to as "the Act of 1849" 1849 c. xxii.) the Scottish Amicable Life Assurance Society (hereinafter referred to as "the Society") was united and incorporated by the name and style of "The Scottish Amicable Life Assurance Society" with perpetual succession and a common seal with power to carry on the business of effecting assurances on lives and survivorships and purchasing and selling annuities and reversions and in general to carry on all the business connected with a life assurance society in all the various branches thereof in any part of the United Kingdom or elsewhere:

1919 c. cx. (2) By the Scottish Amicable Life Assurance Society's Order 1919 (hereinafter referred to as "the Order of 1919") the powers of the Society were extended, new regulations were enacted and sundry other provisions were made:

1952 c. xlvi. (3) By the Scottish Amicable Life Assurance Society's Act 1952 (hereinafter referred to as "the Act of 1952") certain alterations were made in the provisions of the Act of 1849 and the Order of 1919:

(4) It is expedient in order to enable the Society to carry on its business to the best advantage and in accordance with present day requirements that certain provisions of the Act of 1849, the Order of 1919 and the Act of 1952 should be repealed and that further provision should be made for the regulation and management of the Society:

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

(6) 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 and citation.

1.—(1) This Act may be cited as the Scottish Amicable Life Assurance Society's Act 1976.

(2) This Act and the Scottish Amicable Life Assurance Society's Acts 1849 to 1952 may be cited together as the Scottish Amicable Life Assurance Society's Acts 1849 to 1976.

Interpretation.

2. In this Act, unless the context otherwise requires—

1849 c. xxii.

"Act of 1849" means The Scottish Amicable Life Assurance Society's Incorporation Act 1849;

"assurance" means such contract as hereinafter mentioned;

"directors" means the directors of the Society for the time being;

"member" means a member of the Society as defined from time to time by the regulations of the Society;

"policy" means the instrument evidencing a contract by the Society for the payment of any money on the happening of any contingency or event whether dependent on or connected with human life or not or for the payment of any annuity whether for a fixed term of years

or dependent upon human life and shall include all policies of assurance or annuity granted by the Society prior to or subsequent to the passing of this Act;

“the Society” means Scottish Amicable Life Assurance Society incorporated by the Act of 1849;

“territory” means and includes every country, state or place which has a separate legal jurisdiction.

3.—(1) On the passing of this Act the name of the Society shall be Scottish Amicable Life Assurance Society. Name of the Society.

(2) The Society may from time to time with the sanction of a general meeting of the members and with consent of the Secretary of State change its name but no such change of name shall be effective until it is advertised in the Edinburgh Gazette and no such change of name shall affect any rights or obligations or render defective any legal proceedings instituted or to be instituted by or against the Society and any legal proceedings may continue or commence against the Society by its new name that might have been continued or commenced against the Society by its former name.

4. The principal office of the Society shall be in Scotland at a place determined by the directors. The directors may designate a local head office in respect of any territory outside Scotland. Principal office and local head offices.

5. All moneys due or payable under any policy to any member of the Society or other person together with the policy itself shall be subject to and charged with and the same are hereby declared to belong to the Society in security of any indebtedness that may be owing by such member or other person to the Society and in security of the performance and discharge of all obligations incurred by such member or other person to the Society, and the directors may sell, surrender or otherwise dispose of the same as and when they shall think fit; but whenever an assignation in favour of a third party has been intimated to the Society no debt subsequently contracted to the Society by the member granting such assignation shall compete with the same. Policies to be liable for claims of the Society against members.

6. All assignations, discharges and other documents relating to any policy shall be deemed to be validly and sufficiently executed if executed according to the mode usual either in Scotland or in England or in the country where they are executed. Execution of assignations of policies.

7. Any summons or notice, or any writ or other proceedings requiring to be served on the Society, may be served by being given personally to the secretary of the Society or by being left at the principal office of the Society or at a local head office of the Society outside Scotland if the service relates to policies or Service of writs and notices on the Society.

other engagements entered into with parties described as of any place in the territory in respect of which that local head office has been designated by the directors.

Liability of
members.

8. No member of the Society, whether admitted a member before or after the passing of this Act, shall be liable for any debts or sums of money due or to become due by the Society whether by virtue of any policy issued by the Society or otherwise and all creditors and other persons having claims against the Society shall be entitled to make such claims effectual only against the proper funds of the Society and shall in no case or event whatsoever be entitled to make any demand or claim against any individual member of the Society for or on account of any debts or sums of money due by the Society; and it shall not be competent nor in the power of the Society or the directors or other persons on any account or occasion whatsoever to make any call upon any member of the Society for any sum of money in addition to the contributions payable by such member under the policy or policies forming the basis of his membership of the Society without the consent of such member first had and obtained.

Surrender,
alteration, etc.,
of policies.

9.—(1) The person in whom any policy is legally vested whether such person is beneficially entitled thereto or holds the same as mortgagee of or as a trustee for any other person may (unless being a mortgagee or trustee he is to the knowledge of the directors expressly prohibited from so doing by the terms of his mortgage or trust) surrender such policy in whole or in part to the Society either for a cash payment or in consideration of the policy being converted into a paid-up policy for a reduced amount, or in exchange for any paid-up or other policy to be substituted for the original policy or for any other consideration, or may borrow from the Society on the security of such policy the amount of the premiums or other sums required to keep the assurance in force or may otherwise deal with such policy as may be agreed between such person and the directors and if any policy is legally vested in the Society as mortgagee or is charged to the Society by way of lien, deposit or otherwise, the Society may surrender such policy to itself, giving credit or otherwise accounting for its surrender value or may so long as the Society shall see fit keep the policy in force charging it with the amount of the premiums or other sums required for that purpose.

(2) Any surrender, charge or agreement made or entered into under this section shall be valid and effectual in all respects and shall be on such terms as the directors shall decide.

(3) The directors shall have power to declare that any policy has been forfeited or the assurance thereunder has become void and of no effect in accordance with the conditions of the policy or otherwise and to determine the conditions governing such

forfeiture or voidance, and the conditions under which a policy which shall have become forfeit from non-payment of premiums or from any other cause may be revived or maintained in force.

(4) The directors may make ex gratia payments of such amount as they think fit in the case of any policy which has been forfeited or the assurance under which has become void.

(5) At any time during the currency of a policy on the application of or by arrangement with the person in whom the policy is legally vested, the directors may alter or vary the then subsisting method of making the contributions in respect of such policy to any other method of equivalent value approved of by the directors or to substitute an assurance payable on the occurrence of any other event or to convert an assurance of one class into an assurance of any other class on such terms and conditions as the directors may deem equitable and proper.

10.—(1) On the passing of this Act the regulations of the Society shall be as set forth in Schedule 1 to this Act. Regulations
of the Society.

(2) The Society may at any time by special resolution as defined by this Act alter all or any of such regulations or add to or modify the same, and any alteration, addition or modification so made shall be as valid as if originally contained in such regulations and be subject in like manner to alteration by special resolution from time to time.

(3) For the avoidance of doubt it is hereby declared that the regulations may define the objects and powers of the Society and the manner in which they and any of them may be altered, extended or modified.

(4) Notwithstanding subsections (1) and (2) of this section the provisions of the Companies Act 1948, the Companies Act 1948 c. 38. 1967 and section 9 of the European Communities Act 1972 1967 c. 81. applicable to the Society in accordance with section 435 of the 1972 c. 68. Companies Act 1948 shall apply to the Society.

11. For the purposes of this Act and of the regulations a special resolution is a resolution of the Society passed by a majority of not less than three-fourths in number of the votes cast at a general meeting of which not less than twenty-one days' notice in writing specifying the intention to propose the resolution as a special resolution shall have been duly given. Special
resolution.

12. It shall be in the power of the members of the Society to dissolve the same but not until after such dissolution shall have been agreed to by four-fifths in number of the directors in writing and by three-fourths in number of the votes cast at each of two successive special general meetings of the Society held at Dissolution of
the Society.

an interval of not less than one nor more than three months from each other and each specially called by advertisement specifying the purpose of the meeting and appearing not less than three times in (a) each of two daily newspapers of which one shall be published or generally circulating in Glasgow and the other published or generally circulating in London, and (b) one or more of the daily newspapers published or generally circulating in the principal or capital city or town of each territory in which the directors have designated a local head office. The first appearance of each such advertisement shall be not more than twenty-eight days before the proposed date of meeting and there shall be an interval of at least six days between each of the three appearances taken into account for the purposes of this section.

How surplus
assets to be
divided on
dissolution.

13. If the Society be dissolved the surplus assets shall be distributed among the members holding (or other persons in right of) policies entitled to participate in the profits of the Society in the same manner and proportions as if the surplus had been declared to be a distributable surplus in accordance with the regulations of the Society relative to the distribution of profits.

Companies
Clauses Acts
not to apply.
1845 c. 17.

14. The Companies Clauses Consolidation (Scotland) Act 1845 and the Acts amending the same shall not apply to the Society or its undertaking.

General Acts
to apply.
1968 c. 6.
1973 c. 58.
1974 c. 49.

15. Nothing in this Act shall be deemed to exempt the Society from the provisions of the Insurance Companies Act (Northern Ireland) 1968 as amended by the Insurance Companies (Amendment) Act 1973 and the Insurance Companies Act 1974 or of any general Act passed during the present or any future session of Parliament affecting insurance companies formed previous to the passing thereof.

Saving for
powers of
Treasury.
1946 c. 58.

16.—(1) It shall not be lawful to exercise the powers of borrowing conferred by this Act except in compliance with any order for the time being in force under section 1 of the Borrowing (Control and Guarantees) Act 1946.

1947 c. 14.

(2) Nothing in this Act shall be taken as exempting the Society from the provisions of the Exchange Control Act 1947.

Repeals.

17. The enactments mentioned in the first column of Schedule 2 to this Act are hereby repealed to the extent mentioned in the second column of that schedule.

Costs of Act.

18. All costs, charges and expenses of and incidental to the preparing for, obtaining and passing of this Act and otherwise in relation thereto shall be paid by the Society.

SCHEDULES

SCHEDULE 1

Section 10.

REGULATIONS

OF

SCOTTISH AMICABLE LIFE ASSURANCE SOCIETY

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INTERPRETATION

1. In these regulations unless the subject or context otherwise Definitions. requires—

words defined in the Society's Acts or in the Insurance Companies Act 1974 shall have the same meanings in these 1974 c. 49. regulations;

words importing the singular number include the plural number and vice versa;

words importing the masculine gender include the feminine gender;

“actuary” means any person appointed by the directors to perform the duties of the actuary of the Society as defined in the Insurance Companies Act 1974 and in relation to a separate fund in respect of business in a territory or territories outside Scotland shall include any person appointed by the directors as actuary or as a temporary or assistant actuary of that fund;

“chief executive” shall have the meaning assigned to those words by the Insurance Companies Act 1974 whether he be known as general manager or otherwise;

“corporation” includes any body of persons, corporate or unincorporated;

“in writing” means written, or produced by any substitution for writing, or partly one and partly another;

“land” in addition to the meanings assigned to it by the Interpretation Act 1889 shall extend to and include all land 1889 c. 63. of any tenure, any structural attachments thereto and any rights of servitude or of easement and any right, privilege, pertinent or benefit in, over or derived from land other than personal or movable property;

“the regulations” means the regulations set out in this Schedule and all alterations, amendments or additions thereto;

“secretary” means any person appointed by the directors to perform the duties of the secretary of the Society and shall include a temporary or assistant secretary;

“the Society's Acts” means the Scottish Amicable Life Assurance Society's Acts 1849–1976.

OBJECTS

2. The objects of the Society are:—

- (1) to grant assurances and annuities of all kinds with or without the right to participate in the surplus or profits of the Society

Objects of the
Society.

SCH. 1
—cont.

- for the payment of money in the form of a single payment or several payments or in the form of immediate or deferred annuities or otherwise upon the happening of any contingency involving human life or health or upon the expiry of any fixed or ascertainable period or periods or upon the marriage or birth or failure of issue of any person or the occurrence of any contingency or event which would or might be taken to affect the interest whether in possession, vested or contingent, expectant, prospective or otherwise in any property or the loss or recovery of contractual or testamentary capacity in any person or persons;
- (2) to enter into contracts for the establishment, accumulation, provision and payment of sinking funds, redemption funds, depreciation funds and any other special funds and that either in consideration of a single payment or of an annual premium or otherwise and generally on such terms and conditions as may be arranged;
 - (3) to purchase and deal in and lend money on the security of life, reversionary and other interests in property of all kinds whether absolute or contingent or expectant and whether determinable or not and to acquire, lend money on, redeem, cancel or extinguish by purchase, surrender or otherwise any policy, annuity, security or contract issued or made or taken over or entered into by the Society;
 - (4) to undertake and execute trusts of all kinds and the conduct of any business connected with trusts of all kinds, to undertake and execute all kinds of agency business and to undertake and execute the office of trustee, executor, administrator, curator, tutor, guardian, committee, agent, factor, liquidator, receiver, treasurer, registrar or any other office of trust or confidence or responsibility and that with or without remuneration;
 - (5) to act as the agent for the issue of any stocks, shares, debentures, debenture stock, mortgages, bonds, bills or other securities or obligations, whether or not offered to the public for subscription, and to guarantee or underwrite the subscription of any such securities or obligations and to subscribe for any of the same conditionally or otherwise;
 - (6) to carry on any business which in the opinion of the directors can advantageously be carried on in conjunction with or in addition to any of the foregoing business.

POWERS

Powers of the
Society.

3. The Society shall have power in aid of its objects and for the purposes thereof:—

- (1) to grant all such assurances and annuities and transact all other business as aforesaid and to reassure all or any of the

risks of the Society and undertake all kinds of reinsurance connected with any of the business aforesaid;

SCH. 1
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- (2) to hold and retain or to dispose of for the purposes of the Society all property, investments, securities or other estate or assets, heritable or movable, real or personal, held by the Society or by others on its behalf immediately prior to the commencement of the Act to which these regulations form a Schedule;
- (3) to purchase, take on lease or in exchange, hire or otherwise acquire any real or personal or heritable or movable property and any rights or privileges which the Society may think necessary or convenient or capable of being profitably dealt with in connection with any of the property, business or rights for the time being of the Society;
- (4) to sell, exchange, mortgage, charge, lease, manage, maintain, build upon, develop or otherwise improve, deal with or dispose of the land of the Society or any part thereof or any estate or interest therein or relating thereto as the directors think fit;
- (5) to sell, exchange, improve, manage, develop, enfranchise, lease, mortgage, dispose of, turn to account or otherwise deal with all or any part of the property (other than land), investments, securities, assets or rights of the Society;
- (6) to invest, lend out and deal with the moneys of the Society not immediately required in such manner as may from time to time be determined;
- (7) to act as managers or trustees or secretaries of or as nominees for the managers or trustees or secretaries of any superannuation fund or any pension scheme or any life assurance scheme or of any person or company and generally to undertake the office and duties of and to exercise powers conferred by law or by deed on trustees, executors, administrators, attorneys and the like;
- (8) to provide expert advice and supervisory services on all financial matters and to act as investment consultants and agents for any superannuation fund or any pension scheme or any life assurance scheme or any other fund or any person or company and generally for financial institutions of all kinds;
- (9) to enter into arrangements with any government or authority, supreme, municipal, local or otherwise, and to obtain from any such government or authority all rights, concessions and privileges that may seem conducive to the objects of the Society or any of them;
- (10) to enter into and carry into effect any contract or agreement for purchasing, acquiring or taking over all or any of the

SCH. 1
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- business, property, rights and liabilities of or amalgamating with or acquiring an interest in any other society, association, corporation or company carrying on any business or undertaking within the objects of the Society or for undertaking, paying and performing all or any of the assurances, annuities and engagements of any such other society, association or company or for selling or otherwise disposing of all or any of the business, property, rights and liabilities of the Society to any other society, association or company;
- (11) to give to any persons or any class or section of persons who are insured or insure or have other dealings with the Society and that whether such persons or class or section of persons may or may not be members of the Society a right to participate in the profits of the Society or in the profits of any particular branch or department of its business either equally with other persons or classes or sections of persons or otherwise or any preference in ranking or other right, privilege, advantage or benefit;
- (12) to establish and support or to aid in the establishment and support of associations, institutions, trusts, funds or conveniences calculated to benefit directors or former directors, employees or ex-employees of the Society or the dependants or connections of such persons, and to grant pensions and allowances and to make payments towards insurance for the benefit of any such person;
- (13) to subscribe or guarantee money to or for charitable or benevolent or other useful objects whether connected with the business of the Society or otherwise;
- (14) to draw, accept, endorse, discount, execute and issue bills of exchange and promissory notes and other negotiable or transferable instruments;
- (15) to raise or borrow or secure the payment of money in such manner and on such terms as may seem expedient and among other modes by the issue of debentures or debenture stock whether perpetual or otherwise and whether charged or not charged upon the whole or any part of the assets, property and rights of the Society both present and future and to redeem, purchase or pay off such securities;
- (16) to enter into any arrangement for sharing profits, union of interest, joint adventure, reciprocal concession or co-operation or otherwise with any person or company carrying on or engaged in, or about to carry on or engage in, any business or transaction which the Society is authorised to carry on or engage in, and to take or otherwise acquire and hold shares or stock in or securities of and to subsidise or otherwise assist any such person or company, and to make and carry out arrangements for giving the Society the entire or partial control or management or benefit of the business of any such person

or company, and to guarantee dividends on shares, stock, debenture stock, mortgages, bonds or securities of any such company;

SCH. 1
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- (17) to procure the Society to be registered or recognised in any territory outside Scotland, and to make any investments or deposits in such names and manner as may be required, and to comply with any conditions necessary or expedient in order to enable the Society to carry on business in any territory outside Scotland, and to establish or guarantee local societies or companies or branch offices constituted or regulated under or by local laws for the purpose of carrying on any business which the Society is authorised to carry on;
- (18) to form or assist in forming any society or company for the purpose of carrying on any business which the Society is authorised to carry on, or for the purpose of acquiring the undertaking of the Society, or any part thereof, or for any other purpose whatsoever that may seem conducive to any of the interests of the Society, and to hold shares, stock, debentures, debenture stock or any other interest in any such society or company, and to dispose of such shares, stock, debentures, debenture stock or interest;
- (19) to sell the undertaking of the Society or any part thereof for such consideration as the Society may think fit and in particular for shares, stock, policies, debentures, debenture stock or other securities of any other company having objects altogether or in part similar to those of the Society;
- (20) to lend money to such persons and on such terms as may seem expedient and in particular to persons insuring or having other dealings with the Society;
- (21) to accept money on deposit, at interest or otherwise;
- (22) to petition Her Majesty or Her royal successors for and to obtain any Royal Charter which the Society may consider directly or indirectly conducive to the benefit or interests of the Society;
- (23) to take, make, support or oppose any proceedings or application for obtaining Provisional Orders, Acts of Parliament or other legislative acts in the United Kingdom of Great Britain and Northern Ireland or elsewhere which, in the opinion of the Society, may beneficially or adversely affect the Society or its members or some of them;
- (24) to remunerate any persons for services rendered or to be rendered in placing or assisting to place any shares or stock or any debentures, debenture stock or other securities of the Society, or in or about the conduct of the business of the Society;
- (25) to promote, subscribe to, or become a member of, or co-operate with any association, company or other body, whether incorporated or not, having for its objects, or one of its objects, the benefit, assistance or protection of bodies carrying on any business which the Society is authorised to carry on, or otherwise calculated to benefit the Society

SCH. 1
—cont.

directly or indirectly and to undertake liabilities or give guarantees or indemnities as subscribers to or members of any such association, company or body;

(26) to do all or any of the above things in any part of the world and either as principals, agents, trustees, contractors or otherwise, and either alone or in conjunction with others, and either by or through agents, sub-contractors, trustees or otherwise;

(27) to do all such other things as may be considered incidental or conducive to the attainment of the objects of the Society or any of them.

TRUSTS

Society not to
regard trusts.

4. The Society shall not be bound to see to the execution of any trust whether express, implied or constructive, to which any policy granted by the Society may be subject and a discharge of such policy by the person in whom the same may be legally vested shall in all cases be a sufficient discharge and exoneration of the Society of and from all liability thereunder notwithstanding any trust to which the policy may then be subject whether or not the Society has had notice of such trust.

MEMBERS

Members.

5. All persons who were members of the Society on the date on which these regulations came into force and also all persons who shall become members in accordance with the regulations shall be members of the Society so long as they continue to comply with the conditions of membership prescribed by the regulations.

Admission of
members.

6. A person wishing to apply for membership of the Society shall submit to the directors on the form prescribed by them a proposal for assurance (which term shall include any contract for the payment of money by the Society on the happening of any event or contingency whether dependent on or connected with his own life or the life of another or not or for the payment of any annuity whether for a fixed term of years or dependent upon human life) and such further information as the directors may require. If the proposal is accepted by the directors (who shall have power to decline it or impose special terms or conditions without assigning any reason for so doing) the applicant shall become a member of the Society in respect of that assurance from the date of acceptance of the proposal by the directors or from the date on which the assurance comes into force on receipt by the Society of the first premium or otherwise, whichever date shall be the later.

Duration of
membership

7. Membership of the Society in respect of any assurance shall continue only so long as the assurance is kept in force by compliance with the conditions of the policy relative to that assurance taking into consideration any alteration of the original conditions of the policy which may be agreed between the member and the directors and endorsed on the policy. Upon failure to comply with the conditions

of the policy, original or as altered, or the regulations of the Society, membership in respect of that assurance shall cease and determine, but in the event of the policy being revived in accordance with the conditions thereof and of the regulations, membership shall likewise be revived.

SCH. 1
—cont.

8. Membership in respect of any assurance shall cease upon the occurrence of the event or contingency upon which the benefit or last of the benefits payable under the policy falls due or the occurrence of any event or contingency (including the surrender of the policy and the expiry of any period of assurance stated in the policy) upon which the assurance ceases to be in force or at such earlier time as membership ceases in terms of the following regulation. Cessation of membership.

9. Assignment or transference of any kind of a policy shall not confer membership of the Society in respect thereof and no assignee or transferee (hereinafter referred to as "the assignee") whether legal or contractual (including assignees in trust, assignees or trustees in bankruptcy, judicial factors and receivers) shall be entitled to attend or to vote at meetings of the Society or to have any voice in its affairs except that if according to the terms of the policy or in consequence of assignment or other transference of any kind, the assignee has acquired or shall acquire the absolute right to such policy such assignee may become a member in place of the person already a member of the Society in respect of the assurance if agreed between himself and the directors, provided that he complies with such requirements as may from time to time be prescribed by the directors. Assignees, etc.

10. Every person who by operation of law, assignment, purchase or other means whatsoever shall become the owner of any policy, shall be bound by every notice in respect of such policy which prior to his name and address being entered on the Society's register of policy-holders shall be duly given to the person from whom he derives his title to such policy. Owners of policies bound by notice to previous owner.

MEETINGS OF MEMBERS

11. The annual general meeting of the members shall be held in Scotland at such place and on such date in each year as the directors shall from time to time appoint, provided that not more than fifteen months shall elapse between the date of one annual general meeting of the members and that of the next. The meeting shall be called by advertisement appearing not less than three times in each of two daily newspapers of which one shall be published or generally circulating in Glasgow, and the other shall be published or generally circulating in London. The first appearance shall be not more than twenty-eight days before the proposed date of meeting and there shall be at least six days between each of the three appearances taken into account for the purposes of this regulation. Annual general meeting.

12. The directors may call a special general meeting of members of the Society at any time and shall call such a meeting on a requisition in writing signed by five or more directors or by fifty or more members qualified to vote. Special general meetings.

SCH. 1
—cont.

Such requisition shall be addressed to the secretary and shall be delivered at the principal office of the Society and shall state the object or objects of the required meeting.

Every special general meeting shall be held in Scotland at a time and place fixed by the directors and the secretary shall call the same accordingly by advertisement (specifying shortly the purpose for which the meeting is called) in the same manner as is prescribed for the annual general meeting.

If the directors within twenty-one days from the date of receipt of a requisition do not proceed to call the meeting the requisitionists may themselves convene the meeting in manner aforesaid but any meeting so convened shall not be held after three calendar months from the receipt of the requisition.

Business at
annual general
meeting.

13. The ordinary business of each annual general meeting shall be to consider the accounts and balance sheet and the ordinary reports of the directors and auditors and any matters connected with the business or affairs of the Society referred to the meeting by the directors, to elect directors in the place of those retiring, to elect or re-elect one or more auditors, to determine the remuneration or extra remuneration to be paid to the directors and auditors (part or all of which remuneration may consist of provision for benefits on final retirement at a prescribed age or for life assurance) for their services and to transact any other business which under the regulations or the Society's Acts ought to be transacted at the annual general meeting of the Society.

No business other than ordinary business as above defined shall be transacted at any annual general meeting except with the approval of the directors and unless notice of the further business to be transacted thereat shall have been given in the notice convening the meeting.

Quorum.

14. No business shall be transacted at any general meeting unless a quorum be present when the meeting proceeds to business. Fifteen members entitled to vote shall be the quorum for a general meeting.

In case no
quorum.

15. If within fifteen minutes from the time appointed for any general meeting or adjourned meeting a quorum is not present the meeting if convened on a requisition as aforesaid, shall be dissolved.

In the case of any other meeting the meeting shall stand adjourned to the same day in the next week at the same time and place or such other time and place in Scotland as the directors may determine and if at such adjourned meeting a quorum as above defined is not present within fifteen minutes from the time appointed for holding the meeting the members present shall be a quorum.

Chairman of
general
meetings.

16. At all general meetings of the Society a chairman shall be appointed from among the president, vice-presidents and directors of the Society.

If there be no such person present at the meeting within fifteen minutes after the time appointed for holding the meeting or willing to act as chairman the members present shall choose some member to be chairman.

17. The chairman may with the consent of any meeting adjourn the meeting from time to time and from place to place in Scotland but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.

SCH. 1
—cont.

Adjournment
of meeting.

It shall not be necessary to give any notice of an adjournment or of the business to be transacted at any adjourned meeting.

18. At any general meeting a resolution put to the vote of the meeting shall be decided by a simple majority of the votes of the members present in person or by proxy and entitled to vote except where under the Society's Acts or the regulations a different majority is provided for. The vote shall be taken on a show of hands unless a poll is demanded (before or on the declaration of the result of the show of hands) by the chairman or by at least five members present in person or by proxy.

Voting.

Unless a poll is demanded, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Society's minute book shall be conclusive evidence of the fact without any further proof. The demand for a poll may be withdrawn.

19. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place and in such manner as the chairman of the meeting directs. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

Taking of poll.

20. 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 the poll is demanded shall have a casting in addition to any deliberative vote.

Chairman's
casting vote.

21. No resolution or proceedings at any general meeting shall be invalidated by reason of it being discovered subsequent thereto that one or more of the persons attending the same and voting thereat was or were not qualified to vote.

Validity of
proceedings.

VOTING OF MEMBERS

22. Every member who—

Qualification of
member to vote.

(1) is a member in respect of a policy of assurance entitled to participate in profits which has been at least one year in force (including the assignee of any such policy of assurance, who has become a member in respect thereof in accordance with regulation 9); or

(2) is a director of the Society;

shall be entitled to attend and vote at meetings of the Society and no persons other than members qualified as aforesaid shall be entitled to attend and vote at meetings of the Society.

SCH. 1
—cont.

Joint members.

23. No policy shall give rise to more than one vote and if two or more persons (not being a corporation) are joint members in respect of any assurance any right to attend a general meeting of the Society and vote thereat arising in respect of that assurance may be exercised in person or by proxy by such one of the joint members as may be authorised in writing by the other joint members, or failing such authorisation may be exercised by the joint member first named in the policy relative to that assurance and by none other.

Representatives
of corporations.

24. Any corporation which is a member of the Society entitled to attend and vote at a general meeting of the Society may by resolution of its directors or other governing body from time to time authorise such person as it thinks fit to act as its representative at general meetings of the Society and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Society.

Members of
unsound mind.

25. A member otherwise qualified to vote who is of unsound mind and in respect of whom an order has been made in any court having jurisdiction in lunacy may vote, 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 that court, and any such committee, receiver, curator bonis or other person may vote by proxy.

Proxies.

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

Form of
proxies.

27. An instrument appointing a proxy shall be in writing in the usual common form or in any other form which the directors may accept and if the appointor is an individual, shall be signed by the appointor or his attorney or if the appointor is a corporation shall be given under its common seal or signed on its behalf by an attorney.

Deposit of
proxies.

28. 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 of the Society 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 of proxy shall not be treated as valid.

Authority
conferred by
proxies.

29. The instrument appointing a proxy shall, unless the contrary be stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

Validity of
proxies.

30. A vote given in terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the instrument was executed, provided that no intimation in writing of such death,

insanity or revocation as aforesaid shall have been received by the Society at its principal office two hours before the commencement of the meeting or adjourned meeting at which the proxy is used.

SCH. 1
—cont.

31. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

Objections
to voting.

32. On a show of hands at a general meeting each person qualified to vote in accordance with the foregoing regulations present at the meeting in person or by proxy shall be entitled to one vote.

Number of
votes.

On a poll, each such person present at the meeting in person or by proxy shall have one vote and in addition a person who would be entitled to vote in more than one capacity (that is to say as an individual member, as the person qualified to vote in respect of a joint membership or two or more joint memberships, as the representative of any corporation or two or more corporations, or as the person entitled to vote for any member who is of unsound mind or similarly incapacitated or any two or more such members) shall be entitled to an additional vote in respect of each such capacity beyond the first. A proxy shall be entitled to exercise all the votes to which the persons appointing him are entitled in addition to any vote or votes which he is entitled to exercise in accordance with the preceding part of this regulation.

DIRECTORS

33. The government, direction and superintendence of the business and affairs of the Society including the management of its property rights and assets shall be vested in a board of directors, who may exercise all the powers competent to the Society except such as are by the Society's Acts and regulations declared to be exercisable only by the Society in general meeting.

Management of
the Society
vested in
directors.

34. The number of directors shall be not less than seven nor more than twelve.

Number of
directors.

35. The Society may in general meeting increase or reduce the number of directors.

Alteration in
number of
directors.

36. The continuing directors may act notwithstanding any vacancy in their body but if and so long as their number is reduced below the minimum fixed by or pursuant to these regulations the continuing directors may act for the purpose of increasing the number of directors to that number or of summoning a general meeting of the Society but for no other purpose.

Proceedings
in case of
vacancies.

37. A director shall be a member of the Society in respect of an assurance entitled to participate in the profits of the Society either individually or jointly with others or shall be the authorised representative of such a member being a corporation.

Qualification
of directors.

SCH. 1
—cont.Continuance
in office of
present
directors.

38. The present ordinary directors shall on the coming into effect of these regulations become the directors of the Society and shall be subject to retiral by rotation as if they had been elected directors on the date when they were last elected or re-elected ordinary directors. The present president and vice-presidents shall continue to hold those appointments in accordance with these regulations but as such shall not be directors as referred to herein or subject to retiral by rotation.

Vacation of
office of
director.

39. The office of a director shall *ipso facto* be vacated if he—

- (1) ceases to be qualified in terms of regulation 37 hereof;
- (2) becomes bankrupt or compounds with his creditors;
- (3) is found lunatic or becomes of unsound mind;
- (4) becomes disqualified by law from holding a directorship;
- (5) gives to the secretary at the principal office of the Society written notice of resignation (which resignation shall be effective from the date of receipt by the secretary of such notice or such later date as shall be specified in the notice);
- (6) is called upon by a resolution of the directors passed by a majority of two-thirds in number of the directors present and voting or by a resolution of the members in general meeting to resign and his resignation is not notified within seven days;
- (7) is absent from meetings of the directors for six calendar months without leave of absence from the directors and the directors resolve that by reason thereof his office be vacated.

Certain acts not
to disqualify.

40. A director shall not be disqualified by his office from contracting with the Society either as vendor, purchaser or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Society in which a director shall be in any way interested be avoided, nor shall a director so contracting or being so interested be liable to account to the Society for any profit realised by any such contract or arrangement by reason only of such director holding that office or of the fiduciary relation thereby established:

Provided that the nature of his interest must be disclosed by him at the meeting of the directors at which the contract or arrangement is determined on if his interest then exists or in any other case at the first meeting of the directors after the acquisition of his interest:

Provided further that no director shall as a director vote in respect of any contract or arrangement in which he is so interested as aforesaid (nor shall be counted in the quorum present during such vote) and that if he do so vote his vote shall not be counted, but this prohibition may at any time or times be suspended or relaxed to any extent by the Society in general meeting.

General notice
as to director's
interests.

41. A general notice that a director is a member of any specified firm or company and is to be regarded as interested in all transactions with that firm or company shall be a sufficient disclosure under the foregoing regulation as regards such director and the said transactions and after such general notice it shall not be necessary for such director to give special notice of his interest in any particular transaction with that firm or company.

42. Where a director is directly or indirectly interested in any assurance contract which shall in the ordinary course of business be effected by or through such director through the proper officer of the Society disclosure to such officer that such director is so interested shall be deemed to be sufficient disclosure for the purposes of the foregoing regulations and such officer may deal with any such contract as regards terms, premium, commission or otherwise as freely as he could deal therewith if such director were not so interested.

SCH. 1
—cont.

Disclosure of
interest to
officer of the
Society.

43. A director may hold any other office or place of profit under the Society in conjunction with the office of director except that of auditor and on such terms as to remuneration, tenure of office, duties and otherwise as the directors think fit.

Directors may
hold other office
except auditor.

44. A director may become and continue a member or director of any company promoted by the Society or in which the Society may be interested as vendors, shareholders or otherwise, and such director shall not be accountable for any benefits received by him as member or director of such company.

Directors may
become
members or
directors of any
company
promoted, etc.,
by the Society.

45. The directors shall be entitled to remuneration for their services on such basis and at such rates as shall from time to time be determined by resolution of the Society at an annual general meeting, and the basis and rates of remuneration fixed at any such meeting shall continue in force until altered at a subsequent annual general meeting. The remuneration may consist in whole or in part of provision for benefits on final retirement at a prescribed age or for life assurance.

Remuneration
of directors.

Until rates are fixed as aforesaid the directors shall be entitled to receive remuneration at the same rates as those in use immediately prior to the date of the passing of the Act to which these regulations form a Schedule.

In so far as not determined by the Society at the annual general meeting the division of the remuneration of the directors shall be as agreed between them or in default of such agreement equally. Unless otherwise resolved by the directors, a director holding office during part only of a year shall be entitled to a proportionate part of the remuneration to which he would have been entitled if he had held office during the whole year and to such provision for benefits on final retirement as the directors consider equitable.

46. Any director who by request performs special services or goes away from or resides elsewhere than at his ordinary place of residence for any purposes of the Society may be paid by the board such extra remuneration whether by way of salary or otherwise as the board may determine and such extra remuneration shall be charged as part of the Society's ordinary working expenses.

Extra
remuneration
of directors.

ROTATION OF DIRECTORS

47. On the date of the annual general meeting in each year there shall go out of office any director who has attained such age as may from time to time be prescribed by the directors.

Rotation of
directors.

There shall also go out of office at that time the two directors who, not having attained the prescribed age, have been longest in office since last election.

SCH. 1
—cont.

Two or more directors whose last election took place on the same date shall be regarded for the purpose of this regulation as having been elected in order of seniority of age.

Every director going out of office in accordance with this regulation who has not attained the prescribed age shall be eligible for re-election.

Society may regulate rotation by resolution.

48. The Society may from time to time in general meeting—

(a) alter the number of directors who shall annually go out of office but providing always that those going out of office shall not exceed one-third in number of the directors for the time being; and

(b) prescribe such interval as may be considered expedient during which retiring directors shall not be eligible for re-election.

The Society may alter or rescind such resolutions from time to time.

Retiring director to retain office until close of meeting.

49. A director going out of office by rotation at a meeting of the Society shall retain office until the close or adjournment of the meeting.

Election of directors.

50. The Society at the meeting at which any director goes out of office in manner aforesaid may fill the vacated office or offices by electing a person or like number of persons and in default each director going out of office shall if offering himself for re-election be deemed to have been re-elected unless at such meeting it is expressly resolved that his office be vacated or unless a resolution for his re-election shall have been put to the meeting and lost.

Mode of election.

51. No person shall be eligible for election as a director at a general meeting except a director going out of office or a duly qualified member recommended by the directors or a duly qualified member nominated by a member qualified to vote by a writing deposited at the principal office of the Society not less than two months before the meeting accompanied by a writing signed by the person so nominated intimating his willingness to be elected.

Casual vacancy to be filled up by board.

52. The directors shall have power at any time and from time to time to appoint any qualified person to be a director to fill a casual vacancy in the board howsoever arising.

Any director so appointed shall hold office only until the next following annual general meeting of the Society and shall then be eligible for re-election.

COMMITTEES OF DIRECTORS

Committees.

53. The directors may delegate any of their powers with reference to particular matters to committees consisting of such member or members of their own body as they think fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on them by the directors.

Chairman of committees.

54. A committee may elect a chairman of their meetings. If no such chairman be elected or if at any meeting the chairman be not present within five minutes after the time appointed for holding the same the members present may choose one of their number to be chairman of the meeting.

55. A committee may meet and adjourn as they think proper. Questions arising at any meeting shall be determined by a majority of votes of the members present and in case of an equality of votes the chairman of the meeting shall have a casting in addition to any deliberative vote.

SCH. 1
—cont.

Proceedings of committees.

56. All acts done by any meeting of directors or of a committee of directors or by any person acting as a director shall notwithstanding it be afterwards discovered that there was some defect in the appointment of any such director or person acting as aforesaid or that they or any of them were disqualified or had vacated office be as valid as if every such person had been duly appointed and was qualified and had continued to be a director.

Acts of directors and committees valid notwithstanding informalities.

MEETINGS OF DIRECTORS

57. The directors shall meet for the dispatch of business at such times as they shall think fit in the principal office of the Society or in such other place as may from time to time be appointed by them and may adjourn or regulate their meetings as they think fit.

Meetings of directors.

58. The directors may at their discretion decide to hold meetings at regular intervals in which event no notice of a meeting shall be requisite provided that the secretary shall have circulated to all directors at a meeting or through the post or otherwise a written statement of the intended dates of future meetings over such period as he may deem appropriate. The chairman or deputy chairman for the time being or any three directors may instruct the secretary to call a special meeting of the directors which he shall then do in writing (without being required to specify the business to be considered at that meeting) at least three clear days before the time appointed for that meeting. It shall not be necessary to give notice of a meeting of directors to any director who is at the time absent from the United Kingdom.

Notice of meetings.

59. The directors may elect a chairman of their meetings and a deputy chairman to act in the absence of the chairman and determine the period for which each is to hold office; but if no such chairman or deputy chairman is elected, or if at any meeting the chairman or deputy chairman is not present within five minutes of the time appointed for holding the meeting, the directors present may choose one of their own number to be chairman of the meeting.

Chairman and deputy chairman.

60. Three or more directors assembled at a duly convened meeting of the directors shall be a quorum and shall have power to conduct, order and direct the whole business of the Society excepting such acts of management as are specially reserved for general meetings of the Society or have been delegated to officers of the Society in accordance with these regulations.

Quorum.

61. Questions arising at any meeting of the directors shall be decided by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a casting in addition to any deliberative vote.

Voting.

SCH. 1
—cont.Resolution in
writing.

62. A resolution in writing signed by all the directors for the time being entitled to receive notice of a meeting of the directors shall be as valid and effectual as if it had been passed at a meeting of the directors duly convened and held.

Minutes of
proceedings.

63. The directors shall cause minutes of proceedings of their meetings to be duly entered in books (which may be loose-leaf books) to be provided for the purpose and every entry shall be signed by the chairman of the meeting at which such proceedings take place or by the chairman of the next succeeding meeting at which the minutes are approved. Such minute books shall be held by the secretary and be available for inspection by any director.

PRESIDENT AND VICE-PRESIDENTS

President and
vice-presidents.

64. The directors may appoint any person (whether a member or not) whom they think fit to be president or vice-president of the Society; there shall not be more than one president, nor more than three vice-presidents. The president and vice-presidents shall be entitled to attend general meetings of the Society but not to vote thereat unless qualified to do so as members or proxies for members of the Society. The president and vice-presidents shall be entitled to such remuneration for the exercise of their office as the directors shall consider reasonable. They shall as such have no powers, privileges and responsibilities other than specified in this regulation and shall hold office for such period as the directors may decide or until their earlier resignation. If a person appointed president or vice-president is or shall become a director of the Society he shall be entitled to exercise all the rights, powers and privileges of a director irrespective of his appointment as president or vice-president.

LOCAL DIRECTORS

Local directors.

65. The directors may appoint in any territory outside Scotland in respect of which they have designated a local head office local directors and delegate to such local directors the exercise within that territory of any of the powers conferred upon the directors by the Society's Acts and regulations subject to any rules or restrictions which they think fit or which may be imposed by these regulations.

Remuneration
of local
directors.

66. The directors may pay such local directors such remuneration as they may consider reasonable. The directors may also make provision for local directors in the form of benefits on retirement at a specified age or for life assurance or by way of commission or bonus on the business arising in that territory or in such other form as may be lawful and agreed between the local directors and the directors.

Qualification
of local
directors.

67. Local directors shall require the same qualifications as directors of the Society but shall not be regarded as directors for the purpose of the Society's Acts and regulations except in regard to the powers delegated to them by the directors.

Meetings of
local directors.

68. The regulations applicable to meetings of committees shall apply to meetings of local directors. Local directors shall appoint a

secretary (who may be one of their own number) and shall keep a record of their meetings in a minute book maintained for the purpose. As soon as conveniently practicable, and in any event within one month after each meeting, the secretary so appointed will forward a copy of the minute of that meeting duly certified by the chairman as a correct record to the secretary of the Society.

SCH. 1
—cont.

OFFICERS, EMPLOYEES, ETC.

69. The directors shall appoint a chief executive (who shall be designated "general manager" or otherwise as the directors shall decide), an actuary and a secretary, at such remuneration and upon such conditions (which they may alter from time to time) as they think fit and any chief executive, actuary or secretary so appointed may be removed or suspended from office by them. The directors may fix, assign and alter the duties of such chief executive, actuary or secretary, subject always to the duties laid upon such officers by the Society's Acts and regulations and may delegate to any such officer any of the powers exercisable by them as directors subject to such restrictions and upon such conditions as they think fit or are imposed by these regulations.

Chief executive,
actuary and
secretary.

70. The offices of chief executive, actuary and secretary or any of them may be held concurrently by the same person and nothing in these regulations shall prevent the holder of such office, if eligible, being elected or appointed or holding office as a director. The provisions of the Society's Acts or regulations requiring or authorising a thing to be done by a director and the chief executive, actuary or secretary or by any two of them shall not be satisfied by its being done by the same person acting in more than one capacity.

Dual
appointment
may be held.

71. The directors may appoint, remove or suspend (or delegate subject to such conditions and restrictions as they may think fit to the chief executive the power to appoint, remove or suspend) such bankers, professional advisers, employees, agents and others as they may consider necessary for efficiently carrying on the business or affairs of the Society (including therein the management of the property, rights and assets of the Society).

Professional
advisers,
employees,
agents, etc.

RETIREMENT AND OTHER BENEFITS TO EMPLOYEES, ETC.

72. The directors may enter, through trustees or otherwise, into schemes or arrangements to provide life assurance, medical or other benefits for employees of the Society and to provide pensions or other benefits for employees, former employees, their wives, families, connections and dependants, such provision extending to directors and former directors in so far as authorised by the Society in general meeting. The directors may at their discretion grant pensions or honoraria to retired employees of the Society (including for the purpose of this paragraph former directors who retired from the board on attaining a prescribed age irrespective of whether they had a contract of

Retirement and
other benefits.

SCH. 1
—cont.

service with the Society or not) and their wives, families, connections and dependants either in augmentation of benefits provided by the aforesaid schemes or arrangements or otherwise.

ATTORNEYS

Attorneys may
be appointed
by directors.

73. The directors may from time to time and at any time by power of attorney appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the directors, to be the attorney or attorneys of the Society for such purposes and with such powers, authorities and discretions and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with such attorney as the directors may think fit and may also authorise such attorney to delegate all or any of the powers, authorities and discretions vested in him.

TRUSTEES OR NOMINEES

Appointment of
trustees or
nominees.

74. The directors may from time to time appoint directors or officers of the Society or any other person or persons or corporation as trustees or nominees for the Society to accept and hold any property, mortgage, investment or security belonging to the Society or in which it is interested in trust for the Society for such purposes, on such terms and with such powers as the directors may specify and the directors may execute and do all such deeds and things as may be requisite in relation to any such trust and may provide for the remuneration of such trustees or nominees.

BORROWING POWERS

Power to
borrow and give
security.

75. The directors may raise or borrow or secure the payment of any sum or sums of money for the purposes of the Society in such manner and upon such terms and conditions in all respects as they think fit and grant such security therefor as may be arranged, charged upon all or any part of the property, assets and rights of the Society, both present and future.

SEAL

Common seal.

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

Seal for use
abroad.

77. The Society may have, for use in any territory outside Scotland in respect of which the directors have designated a local head office in accordance with the Society's Acts, an official seal which shall be a facsimile of the common seal of the Society, with the addition on its face of the name of every territory where it is to be used. A deed or other writing to which an official seal is duly affixed shall bind the Society as if it had been sealed with the common seal of the Society. The directors may by writing under the common seal of the Society authorise any person or persons appointed for the purpose in that territory as its agent to affix the official seal to any deed or other writing to which the Society is a party in that territory, and the authority of

any such agent shall continue during the period, if any, mentioned in the instrument confirming the authority or, if no period is mentioned therein, until revocation or determination of the agent's authority has been given to the person dealing with him. The agent in affixing such official seal shall, by writing under his hand, certify on the deed or other writing to which the seal is affixed the date on which and the place at which it is affixed.

SCH. 1
—cont.

78. A document or other proceeding requiring authentication by the Society may be signed by a director, the secretary or other authorised officer of the Society and need not be under the common seal of the Society.

Authentication
of documents.

79. All policies of assurance, bonds, contracts, agreements, discharges, powers of attorney and other deeds and writings which require to be granted and executed by the Society may be in writing or printed or partly in writing and partly printed, and shall be valid and effective, binding and obligatory, on the Society with or without the common seal of the Society if the same are signed by a director and an officer of the Society having authority from the directors to sign the same or by two officers of the Society having such authority:

Execution of
deeds.

Provided that in the case of policies and annuity bonds, the signature of a director or any person authorised by the directors to sign the same may be reproduced thereon in facsimile by mechanical or electronic means:

Provided also that notwithstanding anything to the contrary in the first paragraph of this regulation the directors may make such rules as they think fit for the signing of such documents, but no person receiving the same shall be bound or required to see that the same have been approved or sanctioned by the directors.

In all matters and proceedings in which the Society is required to make any declaration or affidavit such declaration or affidavit may be made by any one director or by the chief executive or secretary of the Society or such other officer of the Society as the directors shall appoint and the same when so made shall be sufficient.

SEPARATION OF FUNDS

80. The directors may make all necessary and convenient arrangements for carrying the receipts of any particular class of business or the business arising in any territory outside Scotland in respect of which the directors have designated a local head office in accordance with the Society's Acts to, and meeting the payments in respect of such business from, a separate fund, and may if they think fit provide that such fund be security for the assurances under the policies attributable thereto in the same manner as if it formed the fund of a separate company carrying on no other business than that comprised in such policies.

Formation of
separate funds.

81. Subject always to statutory or other legally imposed restrictions, the directors may make provision in relation to a separate fund as to whether such fund be liable for any contracts of the Society not

Application of
separate funds

SCH. 1
—cont.

attributable to it, as to whether and to what extent and in what circumstances transfer to or from other funds of the Society be made from or to such fund, as to the extent to which the expenses of general management of the Society and the expenses of operating such fund be met from such fund, and otherwise.

Prospectuses for
separate funds.

82. The directors shall, in issuing such prospectuses for business as they think fit, specify in respect of business for which a separate fund has been formed any special conditions as to the basis of security for such business and participation in the profits of the Society.

RESERVE FUNDS

Reserve funds.

83. The directors may, in relation to any separate fund or otherwise, establish reserves which may or may not be allocated for a specific purpose and the directors may at any time, subject always to any statutory or other legally imposed restrictions, transfer to or from such reserves such sums as they think fit.

ACTUARIAL REPORT

Actuarial
valuation and
report.

84. A valuation and report shall be made by the actuary to the directors as at the end of each financial year regarding the financial position of the Society and of each separate fund established in accordance with these regulations.

DISTRIBUTION OF PROFITS

Allocation of
surplus.

85. At intervals of three years or such shorter period as the directors shall determine the actuary in the report submitted to the directors in accordance with the preceding regulation will certify the amount of the surplus, if any, which in his opinion is then available for allocation to policies entitled to participate in the profits of the Society, and the directors may declare to be distributable the whole, or such part, if any, as they think fit of such surplus.

If a separate fund has been established by the directors in respect of the assurances under certain policies in accordance with these regulations the distributable surplus for that fund shall be declared separately.

Nothing in this regulation shall require that the directors declare the whole surplus arising to be distributable and they may in their discretion determine that the whole such surplus in the fund of the Society, or of any separate fund, be carried forward in that fund.

Bonus
distribution.

86. The directors shall declare the basis upon which the distributable surplus or a sum as near as convenient to the distributable surplus is allocated among the policies under which the assurances are entitled to participate in the profits of the Society, having regard to the terms and conditions of such policies and to the separate fund relative to such policies. The distributable surplus may be applied in the provision of reversionary bonuses on such policies or by reduction of premiums

or otherwise as the directors may determine. Nothing in this regulation shall require that the directors allocate any of the distributable surplus to policies which are no longer in force at the date on which the directors actually make their declaration.

SCH. 1
—cont.

87. The directors may at their discretion and if the policy conditions permit also arrange with any member holding (or other person in right of) a policy under which the assurance qualifies for the addition of a reversionary bonus or for the reduction of premium by application of bonus or for a bonus in any other form for such bonus to be cancelled for a cash payment on such basis as they may determine and for the policy conditions and benefits to be restored to those which would have been applicable if no bonus had been declared.

Encashment of
bonus.

88. In respect of the period since the previous distribution of surplus, or in any other respect as the directors may determine, the directors may provide at the date of claim under policies entitled to participate in the profits of the Society an interim bonus addition or special bonus addition or terminal bonus addition on such basis or bases and at such rate or rates as they may from time to time determine, and the directors shall have power to amend such basis or bases and rate or rates, or to suspend payment of such interim or special or terminal bonus additions, at any time.

Bonus on claims
between
distributions.

89. The powers and responsibilities of the directors under the foregoing regulations relative to the distribution of profits shall be exercised by and devolve upon the board of directors of the Society as such and shall not be capable of delegation in whole, or in part, or in respect of a separate fund, to local directors or to officers of the Society.

Power to
declare
distributable
surplus not to
be delegated.

ACCOUNTS

90. The directors shall cause full and true books and accounts to be kept in such form as shall seem to them most suitable for preserving an accurate and distinct view of the affairs of the Society. The books of account shall show—

Accounts to be
kept.

- (1) the sums of money received and expended by the Society and the matters in respect of which such receipt and expenditure take place;
- (2) the assets and liabilities of the Society; and
- (3) the separate transactions relative to separate funds of the Society.

In the keeping of such accounts the directors shall have regard to any provisions of the statutes with regard to the accounts to be kept by assurance companies.

91. The books of account shall be kept at the principal office of the Society, or at such other place or places as the directors think fit, and shall always be open to the inspection of the directors. The books of account of a separate fund in respect of business arising in any territory outside Scotland in respect of which the directors have

Books to be
kept at principal
office or
elsewhere

SCH. 1
—cont.

designated a local head office may be kept at that local head office but a draft revenue account, balance sheet and such other information as the directors may require to enable them to ascertain with reasonable accuracy the financial position of that fund, shall be submitted to the principal office of the Society at intervals of not more than six months and held there or at such other place as aforesaid for such period as the directors may prescribe and such account, balance sheet and other information shall always be open to the inspection of the directors.

Members' right to inspect books.

92. No member shall have any right of inspecting any account or book or document of the Society except as authorised by the directors or by a resolution of the Society in general meeting.

Annual accounts and balance sheet.

93. At the annual general meeting in every year the directors shall lay before the Society duly audited a revenue account and a balance sheet made up to the preceding thirty-first day of December or to such other day as the directors may from time to time determine in the forms required by the statutes to be prepared by assurance companies.

Annual report of directors.

94. Every such account and balance sheet shall be accompanied by a report of the directors as to the state and condition of the Society and the account, report and balance sheet shall give such further information as the directors may from time to time determine.

Copies to be sent to members.

95. A printed copy of every such account, balance sheet and report shall on the application of any member be forwarded to him by post or otherwise. If a separate account, balance sheet and report is published for a separate fund in respect of business in any territory in respect of which a local head office has been designated by the directors in accordance with the Society's Acts, a copy of such account, balance sheet and report shall on the application of any member in relation to a policy in that fund be likewise forwarded to him.

AUDITOR

Qualification and duties of auditor.

1974 c. 49.

96. An auditor of the Society shall be appointed and his duties regulated in accordance with the provisions of the Companies Acts 1948 to 1967 relating to audit as applied to the Society and of section 17 of the Insurance Companies Act 1974.

Audit of separate funds.

97. The directors with the consent of the auditor may arrange for the books of a separate fund established in accordance with these regulations in respect of business arising in a territory outside Scotland to be checked by an accountant practising in that territory and such accountant shall have the same rights of access to the books, accounts and vouchers of that fund and be entitled to require and receive the same information and explanation as the auditor of the Society. The auditor shall be entitled to rely upon certificates given in respect of that fund by the accountant, whose remuneration shall be fixed by the directors and paid from that fund.

INDEMNITY

Indemnity of officers of the Society.

98. So far as allowed by law every director, local director, chief executive, actuary, secretary or other officer or auditor for the time

being of the Society shall be indemnified out of the funds of the Society against all costs, charges, losses, damages and expenses which he shall respectively incur or be put to on account of any contract, act, deed, matter or thing which shall be made, done, entered into or executed by him respectively on behalf of the Society, and every director, local director, chief executive, actuary, secretary or other officer or auditor shall be reimbursed by the Society all reasonable expenses incurred by him in or about any legal proceedings or arbitration on account of the Society or otherwise in the execution of his respective office except such costs, losses and expenses as shall happen through his respective negligence, default, breach of duty or breach of trust. Any such director, local director, chief executive, actuary, secretary or other officer or auditor shall be chargeable only for so much money as he shall actually receive and they respectively shall not be answerable for the acts, receipts, neglects or defaults of each other but each of them for his own acts, receipts, neglects or defaults only; nor shall they respectively be answerable for any banker, broker, collector or other person with whom or into whose hands any property or moneys of the Society may be deposited or come nor for the insufficiency of the title to any security or investment which may from time to time be acquired on behalf of the Society nor for the insufficiency of any investment or security in which any of the moneys of the Society shall be placed by order of or under authority from the directors nor for any loss or damage which may happen in the execution of their respective offices unless the same shall happen through their own respective negligence, default, breach of duty or breach of trust.

SCH. 1
—cont.

Every director, local director, chief executive, actuary, secretary or other officer or auditor for the time being of the Society shall be indemnified out of the assets of the Society against any liability incurred by him in any such capacity in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in any proceedings for negligence, default, breach of duty or breach of trust in which he is relieved by the court from his liability.

NOTICES

99. A notice requiring to be served by the Society upon any member otherwise than by advertisement may be served either personally or by sending it through the post addressed to such member at his registered address. Notice may be given to joint members by giving the notice to the member first named in the policy.

Service of
notices on
members.

The registered address of a member shall be the latest address in the United Kingdom or in a territory outside the United Kingdom in respect of which a local head office has been designated by the directors which has been notified to the Society and is registered in its record of addresses as the address of the member.

100. Each member whose registered address is not in the United Kingdom or in a territory described in the foregoing regulation shall from time to time notify in writing to the Society an address in the

Address of
members
residing outside
United
Kingdom.

SCH. 1
—cont.

United Kingdom which shall be deemed his registered address within the meaning of the last preceding regulation failing which his address shall be held to be the principal office of the Society.

Notice of
advertisement.

101. Any notice required to be given by the Society to the members, policyholders, policy owners or any of them and not expressly provided for by the regulations shall be sufficiently given if given by advertisement.

Any notice required to be or which may be given by advertisement shall, if not otherwise expressly provided for by the regulations, be advertised at least once in one or more of the daily newspapers published or generally circulating in Glasgow, and one or more of the daily newspapers published or generally circulating in London.

Notice by post.

102. Any notice sent by post shall be deemed to have been served on the day on which the same would be delivered in the ordinary course of post and in proving such service it shall be sufficient to prove that the notice was properly addressed, prepaid and put into the post office.

Authentication
of notices.

103. The signature to any notice to be given by the Society may be written or printed.

Section 17.

SCHEDULE 2

ENACTMENTS REPEALED

Act or Order	Extent of repeal
Act of 1849 	The whole Act except so much of section 1 as relates to the incorporation of the Society.
Order of 1919 	The whole Order.
Act of 1952 	The whole Act.

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