



CHAPTER xi.

An Act to effect a fusion of the undertaking of the Hand-
in-Hand Fire and Life Insurance Society with that of
the Commercial Union Assurance Company Limited
and for other purposes. [30th June 1905.]

A.D. 1905.

WHEREAS the Hand-in-Hand Fire and Life Insurance Society (hereinafter called "the Society") was established by deed poll in the year one thousand six hundred and ninety-six under the name of "The Hand-in-Hand Contributionship or Society for the Insurance of Houses from Loss or Damage by Fire" for the insurance of houses chambers or rooms within the cities of London and Westminster and the liberties thereof and the places thereunto adjoining against loss or damage by fire:

And whereas in pursuance of powers in that behalf contained in the said deed poll divers alterations and additions were from time to time made in and to the terms regulations and provisions contained in the said deed poll whereby (amongst other things) the limits of the said Society were extended so as to comprehend every part of Great Britain:

And whereas by deed poll dated the fourth day of June one thousand eight hundred and five the subjects of insurance by the said Society were extended and the style or title of the said Society was changed to "The Hand-in-Hand Contributionship or Society for the Insurance of Houses and Goods from Loss or Damage by Fire" and divers other alterations and additions were made in and to the terms regulations and provisions of the said Society:

And whereas by a deed of settlement dated the twelfth day of July one thousand eight hundred and thirty-six (to which all the

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And whereas in pursuance of the power in that behalf given by the thirty-eighth clause of the said deed of settlement divers alterations and additions have from time to time been duly made in the rules and regulations contained in the said deed of settlement and the following are some of the rules regulations and provisions of the Society now in force (that is to say) :—

1. The objects and business of the Society shall be to insure houses and other buildings goods merchandise stock in trade farming stock and implements of agriculture household furniture and all other personal property whatsoever from loss or damage by fire and also to make insurances on lives and survivorships to sell and purchase endowments and life and other annuities and to transact and negotiate all other matters whatsoever usually transacted or negotiated by life insurance offices according to law :
3. Every person who shall hold in his own name either alone or jointly with any other person or persons either a septennial fire policy or a life policy for the whole period of a life or lives or an endowment insurance policy (with profits) payable at death or a specified age (such policy as the case may be being granted by the Society and not containing a statement that it does not confer membership) shall be a member of the Society :
4. Every member of the Society who shall hold and shall have held for the space of twelve calendar months in his own name alone free from incumbrances the following qualifications (that is to say) :—

First A septennial fire policy or septennial fire policies to the amount of one thousand pounds or upwards (such policies respectively being granted by the Society and not containing a statement that they do not confer membership) ; and

Secondly A life policy or life policies for the whole period of a life or lives to the amount of one thousand pounds or upwards or an endowment insurance policy or endowment insurance policies (with profits) payable at death or a specified age to the amount of one thousand pounds or upwards or a life policy or life policies as aforesaid and an endowment insurance policy or endowment insurance policies as aforesaid amounting together to one thousand pounds or upwards (such policies respectively being granted by the Society and not containing a statement that they do not confer membership);

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shall be qualified to attend and vote at general meetings of the Society Provided always that an assignment or charge of a policy for the benefit of the wife or children of the holder shall not be deemed a parting with the holding or an incumbrance within the meaning of these rules :

107. The Board of Directors shall once at least in every five years cause a careful estimate to be made of the value and position of all the subsisting fire and life policies and other engagements and liabilities of the Society and of the funds and property of the Society and if the result of such estimate shall in the opinion of the Board of Directors justify such a course it shall be lawful for the Board of Directors to divide any surplus funds or property which may be available for that purpose or any proportion or part of such surplus funds or property or any sum or sums of money on account of such surplus funds or property among the members and policy holders of the Society or any class or classes of such members and policy holders respectively in such shares and proportions with such distinctions between the several classes of members and policy holders respectively with such restrictions subject to such conditions and generally in such manner as shall be prescribed by an Extraordinary Board of Directors :

114. It shall be lawful for the Board of Directors with the sanction of an extraordinary general meeting of the Society specially summoned for that purpose to take such steps as may be necessary for incorporating the

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Society under any statute applicable to that purpose or by charter or special Act of Parliament or for obtaining a special Act of Parliament for facilitating the business of the Society :

120. The funds and property for the time being of the Society shall subject to a due appropriation of such funds and property to and among the various engagements of the Society be liable and shall alone be liable to satisfy any policy security contract or engagement of the Society and no director officer member or policy holder of the Society shall be personally liable upon or in respect of any such policy security contract or engagement :

And whereas the Society has carried on its business with great success and it has now a large number of life and fire and other policies outstanding and is possessed of assets of great value :

And whereas the Commercial Union Assurance Company was formed in the year one thousand eight hundred and sixty-one for carrying on the business of fire insurance and of life assurance and marine insurance and it was in the year one thousand eight hundred and eighty-five duly registered under the Companies Acts 1862 to 1883 with limited liability as the Commercial Union Assurance Company Limited and is hereinafter referred to as " the Company " :

And whereas by the following Acts of Parliament that is to say by the Commercial Union Assurance Company Limited Act 1886 the Commercial Union Assurance Company Limited Act 1890 and the Commercial Union Assurance Company Limited Act 1900 various powers are conferred upon the Company :

And whereas by special resolution of the Company passed in the year one thousand nine hundred and duly confirmed by the Chancery Division of the High Court of Justice under the provisions of the Companies (Memorandum of Association) Act 1890 the objects of the Company were further extended :

And whereas the capital of the Company is two million five hundred thousand pounds divided into fifty thousand shares of fifty pounds each :

And whereas the whole of the shares in the capital of the Company have been issued and are now held by the members thereof and the sum of five pounds per share and no more has been paid up thereon :

And whereas proposals having been made for the transfer of the undertaking of the Society to the Company the terms of such

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proposals were embodied in a conditional agreement which was dated the fifteenth day of December one thousand nine hundred and four made and entered into by and between Sir James Broadwood Lyall G.C.I.E. as agent on behalf of the Society of the one part and John Trotter esquire as agent on behalf of the Company of the other part a copy whereof is set forth in the schedule to this Act :

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And whereas the Society and the Company have been actuarially advised that the provisions of the said agreement will be beneficial to them respectively :

And whereas it is expedient that the Company should be empowered to take over and that the Society should be empowered to make over the assets and business of the Society on the terms set forth in the said conditional agreement and that effect should be given thereto :

And whereas the objects of this Act cannot be attained without the authority of Parliament :

May it therefore please Your Majesty that it may be enacted and be it enacted by the King'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 (that is to say) :—

1. This Act may be cited as the Commercial Union Assurance Company Limited Act 1905. Short title.

2. In this Act "the scheduled agreement" means the said conditional agreement (including the several schedules thereunder written) as set forth in the schedule hereto and "the Hand-in-Hand Fund" means the Hand-in-Hand Fund referred to in the scheduled agreement. Interpretation.

3. The scheduled agreement is by this Act made binding on the Company and on the Society and the holders of policies and annuity and other contracts of the Society and on the members of the Company and of the Society respectively and on all other persons interested and shall be carried into effect accordingly and all fire insurance policies issued by the Society which shall be renewed or otherwise continued by the Company shall have the same effect as if the same had been continued by the Society and all contracts and obligations and authority to effect fire insurance policies with the Society shall notwithstanding the dissolution of Confirmation of terms.

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A.D. 1905. — the Society continue in full force and effect and shall be fulfilled or exercised by insurance with the Company as successors of the Society.

Dissolution
of Society.

4. From and after the passing of this Act the Society shall wholly cease to undertake any new business in the way of life or fixed term assurance or fire insurance or otherwise and when the transfer of the assets of the Society has been completed pursuant to the scheduled agreement the Society shall ipso facto be dissolved and the recited deed poll of 1696 the recited deed poll of 1805 the recited deed of settlement of 1836 and the rules and regulations of the Society now in force shall be and the same are hereby respectively cancelled and made void and of none effect as from the passing of this Act A certificate in writing under the hands of a majority of the directors of the Company that the transfer aforesaid has been completed shall when filed with the Registrar of Joint Stock Companies be conclusive evidence thereof.

As to debts
&c.

5. The Company shall be subject and liable in accordance with the scheduled agreement to all the debts liabilities and engagements of the Society.

Constitution
of Hand-in-
Hand Fund.

6. The Company shall constitute in accordance with and subject to the provisions in that behalf in the scheduled agreement contained the Hand-in-Hand Fund as a fund for the protection and benefit of the life and fixed term policy holders and annuity holders of the Society and for the other purposes in the scheduled agreement mentioned and the Hand-in-Hand Fund shall be kept separate and distinct from the general assets of the Company and shall be held and dealt with by the Company as a trust fund applicable for the purposes in the scheduled agreement specified in relation thereto.

Actions to
continue.

7. Nothing in this Act shall cause the abatement or discontinuance of or in anywise prejudicially affect any action arbitration or other proceeding or cause of action arbitration or proceeding pending or existing by or against the Society either solely or jointly with any other company or person immediately before the passing of this Act but the same may be continued and enforced by or in favour of or against the Company to the same extent as the same might have been continued or enforced by or in favour of or against the Society if this Act had not been passed.

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8. Subject to the provisions of the scheduled agreement all officers and persons who have or after the passing of this Act have in their possession or under their control any books documents papers or effects belonging to the Society to which the Society but for this Act would be entitled shall account for and deliver up the same to the Company or to such persons as the directors of the Company appoint to receive the same in like manner and subject to like consequences on failure so to do as if those officers and persons had been appointed by and become possessed of the books documents papers or effects for the Company.

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As to officers
&c.

9. All books and documents which if this Act were not passed would be evidence in respect of any matter for or against the Society shall be admissible as evidence in respect of the same or the like matter for or against the Company.

As to books
and docu-
ments.

10. The Company shall deliver to the Registrar of Joint Stock Companies a printed copy of this Act and he shall retain and register the same and if such copy is not so delivered within three months from the passing of this Act the Company shall incur a penalty not exceeding two pounds for every day after the expiration of the said three months during which the default continues and any director or manager of the Company who knowingly and wilfully authorises such default shall incur the like penalty Every penalty under this section shall be recoverable summarily There shall be paid to the said registrar by the Company on such copy being registered the like fee as is for the time being payable under the Companies Act 1862 on registration of any document other than a memorandum of association.

Act to be
registered.

11. To every copy of the regulations of the Company supplied after the passing of this Act to any member under the provisions of section 19 of the Companies Act 1862 there shall be annexed a copy of this Act.

Copy of Act
to be sup-
plied to
members.

12. Nothing in this Act shall be deemed to exempt the Company from the provisions of the Life Assurance Companies Acts 1870 to 1872 or from those of any general Act passed during the present or any future session of Parliament affecting life assurance companies formed previously to the passing thereof.

Saving for
general Acts.

13. The costs charges and expenses preliminary to and of and incidental to procuring obtaining and passing this Act shall be paid by the Company.

Costs of Act.

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The SCHEDULE referred to in the foregoing Act.

CONDITIONAL AGREEMENT made the fifteenth day of December one thousand nine hundred and four between THE HAND-IN-HAND FIRE AND LIFE INSURANCE SOCIETY (hereinafter referred to as "the Society") by SIR JAMES BROADWOOD LYALL G.C.I.E. their agent of the one part and THE COMMERCIAL UNION ASSURANCE COMPANY LIMITED (hereinafter referred to as "the Company") by JOHN TROTTER esquire their agent of the other part.

1. On or forthwith after the appointed day the Society shall transfer to the Company—

(A) The goodwill of the Society's business and the full benefit of the same with the exclusive right to use the name of the Society and to represent the Company as carrying on the Society's business in succession to the Society and the right to use any words indicating that the business of the Society is carried on by the Company in succession to the Society and the full benefit of the working organisation of the Society and of all existing agency agreements and of all agreements with the staff of the Society and all books papers and documents relating to the business of the Society:

(B) All the other assets whatsoever and wheresoever of the Society.

2. The assets specified in the last preceding clause shall be transferred—

(A) As to the assets comprised in paragraph (A) of that clause to the Company absolutely:

(B) As to the assets comprised in paragraph (B) of that clause the same shall be transferred and taken over subject as hereinafter provided and shall be carried to and form part of the Hand-in-Hand Fund hereinafter mentioned and shall as and when the Company shall direct be transferred to the Company or to trustees to be nominated by the Company.

3. A fund for the protection and benefit of the life and fixed term policy holders and annuity holders of the Society and for the other purposes hereinafter specified shall be established by the Company and shall be called and is hereinafter referred to as "the Hand-in-Hand Fund" and such fund

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shall be a trust fund for the purposes in this clause before mentioned and shall consist of— A.D. 1905.

- (A) The assets mentioned in paragraph (B) of the last preceding clause hereof :
- (B) All proceeds arising from sales exchanges and other dealings with such assets or any other assets of the Hand-in-Hand Fund :
- (C) All assets acquired with assets of the Hand-in-Hand Fund :
- (D) All income arising from assets for the time being of the Hand-in-Hand Fund :
- (E) All premiums and other payments received or to be received in respect of life and fixed term policies and annuity contracts of the Society for the time being subsisting and any premiums or payments in respect of fire policies which shall be due before the first day of January one thousand nine hundred and five though not paid before that date but not any other premiums or payments in respect of fire policies :
- (F) All sums received or to be received in respect of any re-insurance compromise arrangement modification substitution or other dealing in relation to the Society's life and fixed term policies and annuity contracts.

4. The Company shall accept such title as the Society has to all assets and property to be transferred pursuant to this agreement.

5. The Hand-in-Hand Fund shall be kept separate and shall be held and dealt with by the Company as a trust fund applicable for the purposes hereinafter specified. All powers of investment at the date of this agreement exercisable by the directors of the Society with regard to any funds of the Society shall extend and apply to and shall be exercisable in future by the directors of the Company with regard to the Hand-in-Hand Fund and all powers of investment from time to time exercisable by the directors of the Company with regard to any funds of the Company shall extend and apply to and shall be exercisable by them with regard to the Hand-in-Hand Fund with power from time to time to vary or transpose any investments made under any of the aforesaid powers into or for others of a like nature.

6. The Company shall as on and from the first day of January one thousand nine hundred and five assume all liabilities current under the fire policies granted by the Society on or before the appointed day and pay all claims arising thereunder and receive all premiums payable in respect of such policies other than those due before the said first day of January one thousand nine hundred and five though not paid before that date.

7. The Company shall as on and after the first day of January one thousand nine hundred and five bear all the expenses of managing the fire business of the Society and all pensions and all commissions payable in respect of such business and shall repay to the Hand-in-Hand Fund any

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8. The Company shall as on and after the first day of January one thousand nine hundred and five bear all the expenses of managing the life and general business of the Society and the Hand-in-Hand Fund and all pensions and commissions payable in respect of such business and shall repay to the Hand-in-Hand Fund any expenses pensions or commissions accrued on or after such date which the Society may have paid.

9. Subject as hereinafter provided the Company shall out of the Hand-in-Hand Fund from time to time and in due course pay and satisfy and discharge all claims which have arisen and moneys due and payable by the Society prior to the first day of January one thousand nine hundred and five in respect of any matter whatever and all claims and moneys due and payable on or after such date in respect of the life and fixed term policies and annuity contracts of the Society but not of fire policies and all sums payable in respect of compromises surrenders or otherwise in relation to life and fixed term policies and annuity contracts of the Society and all premiums on re-insurance policies effected in relation to any such policies or annuities and all other sums which under this agreement are payable out of the said fund and subject to all such payments as aforesaid the Hand-in-Hand Fund shall be held for the benefit of the Company absolutely.

10. In the case of any claims in either the fire or life department of the Society which though occurring before the first day of January one thousand nine hundred and five are not announced till after the fourteenth day of February one thousand nine hundred and five such claims if in the fire department shall be paid by the Company and if in the life department out of the Hand-in-Hand Fund. But the payment of such life claims out of the Hand-in-Hand Fund shall not be taken as diminishing the amount of the surplus to be ascertained as in the Second Schedule hereunder written is mentioned and divisible amongst the Society's life policy holders it being the intention of this agreement that the apportionment of such surplus shall be capable of exact calculation once for all immediately after the fourteenth day of February one thousand nine hundred and five irrespective of any outstanding claims not announced on or before that date.

11. The Company shall become liable in the place of the Society as on and from the first day of January one thousand nine hundred and five for and in respect of all the debts liabilities contracts and engagements of the Society including all its policies (whether fire life or fixed term or otherwise) and annuity contracts and the benefits now attached thereto and the further benefits in the First and Second Schedules hereunder written respectively mentioned to the exclusion of all liability of the Society or any member director trustee or officer thereof upon or in respect of the same but upon the footing that with regard to moneys payable under this agreement out of the Hand-in-Hand Fund the Company's liability is primarily to cause payments

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to be made out of such fund but if the same shall be insufficient or exhausted then out of its own funds and property. A.D. 1905.

12. The fire policy holders of the Society shall be entitled to benefit to the extent and in the manner in the said First Schedule provided in that behalf.

13. The life policy holders of the Society shall be entitled to benefit to the extent and in the manner in the said Second Schedule provided in that behalf.

14. The directors of the Society in office immediately before the appointed day shall become members of a branch board of the Company and four of such directors shall become directors of the Company subject to and in accordance with the provisions contained in the Third Schedule hereunder written.

15. The Company shall take over the staff and employees of the Society upon the terms and subject to the conditions specified in the Fourth Schedule hereunder written.

16. The Company shall be at liberty upon a surrender of any life or fixed term policy or annuity contract of the Society to issue in substitution any policy or annuity with reference to the Hand-in-Hand Fund in consideration of the surrender value and such substituted policy or annuity shall have all rights against the Hand-in-Hand Fund and the Company which the original policy or annuity had before surrender. But every such policy or contract issued in substitution shall expressly state that it is issued or entered into with reference to the Hand-in-Hand Fund.

17. The Company shall pay and at all times hereafter keep the Society and its assets indemnified against all the costs and expenses of and incident and preliminary to this agreement and of carrying the same into complete effect including the costs charges and expenses preliminary to and of and incidental to procuring obtaining and passing the Act and the final dissolution of the Society. Provided that all such expenses payable by the Society prior to the first day of January one thousand nine hundred and five shall be payable out of or be debited to the Hand-in-Hand Fund.

18. If there shall at any time hereafter be any difference or dispute as to the true intent and meaning of this agreement or the respective schedules hereto or as to any rights or obligations or procedure thereunder every such difference or dispute shall be referred to arbitration in accordance with the provisions of the Arbitration Act 1889.

19. Nothing in these presents contained shall prejudice or affect or impose any liability upon the life fund of the Company which fund shall be and remain as absolutely the exclusive security of the life policy and the annuity holders of the Company as though this agreement had not been entered into and the life insurance or annuity business continued or transacted by the Company under the provisions of this agreement shall not be deemed to be life assurance or annuity business of the Company.

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20. Under no circumstances shall this agreement impose any personal obligations of any kind on either of them the said Sir James Broadwood Lyall and John Trotter.

21. This agreement is conditional and shall be void and of no effect if the Act do not receive the Royal Assent prior to the first day of January one thousand nine hundred and six and the same is made subject to such additions alterations and variations as Parliament may see fit to make therein Provided that if any Committee of either House of Parliament shall make any material alteration in this agreement it shall be competent either to the Company or the Society by notice in writing to the other of them to be given before the Act shall have received the Royal Assent to rescind the same in which case the same shall be rescinded and of no effect and the Bill for the Act shall not be proceeded with.

22. In this agreement and in the schedules hereunder written (unless the subject or context otherwise requires)—

- (1) The expression "the appointed day" means the day which shall be the date of the passing of the Act:
- (2) The expression "the Act" means the Act to be passed adopting and making binding these terms:
- (3) Words importing the masculine gender only include the feminine gender:
- (4) Words importing the singular only include the plural number and vice versâ:
- (5) Words importing persons include corporations except where otherwise specified.

As witness the hands of the said Sir James Broadwood Lyall on behalf of the Hand-in-Hand Fire and Life Insurance Society and the said John Trotter on behalf of the Commercial Union Assurance Company Limited.

J. B. LYALL,
JOHN TROTTER.

The **FIRST SCHEDULE** to which the above-written
Agreement refers.

PROVISIONS FOR THE BENEFIT OF FIRE POLICY HOLDERS OF THE SOCIETY.

The fire policy holders of the Society shall be entitled to the benefits following:—

- (A) An amount equal and in addition to that of the next bonus payable under paragraph (B) of this schedule shall be paid in cash on the expiration of the septennium current at or completed on the

twenty-fourth day of June one thousand nine hundred and five A.D. 1905.
to every septennial policy holder in the first series of the fire
policies of the Society or to his executors administrators or
assigns :

(B) All septennial policy holders in the first and second series of the fire policies of the Society shall on and after the expiration of the septennium current at or completed on the twenty-fourth day of June one thousand nine hundred and five receive bonuses similar to those received by policy holders in the first series immediately prior to that date :

(C) All septennial policy holders in the third series shall on and after the expiration of the septennium current at the twenty-fourth day of June one thousand nine hundred and five receive the bonuses applicable to that series but no more :

The sums payable under paragraphs (A) (B) and (C) of this schedule shall be paid notwithstanding any claim which may have been or may be made under any policy :

(D) All holders on the appointed day of septennial policies and their executors administrators and assigns shall have the right to renew such policies on the same terms as in the preceding paragraphs of this schedule mentioned (and to include in the renewal on the same terms in accordance with the Society's practice any supplemental policies on the same property which may have been effected during the septennium current at or completed on the twenty-fourth day of June one thousand nine hundred and five and falling due on the same date as the septennial policies) and shall have the rights conferred by this paragraph whether a claim or claims shall have been or shall be made or not for twenty-eight years from the expiration of the septennium current at or completed on the twenty-fourth day of June one thousand nine hundred and five and shall be at liberty to transfer any insurance on buildings rent or contents to other buildings rent or contents or any of them on terms to be arranged as the occasion arises but in no case shall the policy holder benefit under any transfer of such insurance to a greater extent than he would have benefited if no such transfer had been made :

If any person or persons (but not any corporation institution society or firm) being on the appointed day the holder or holders in his or their own right but not as trustee or trustees of a septennial policy shall be alive at the expiration of the twenty-eight years above mentioned and shall still be the holder or holders or the survivors or survivor of the holders of such policy he or they shall have the right to renew such policy upon the terms above mentioned whether a claim or claims shall have been or

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shall be made or not so long as he or they shall live and remain the holder or holders or the survivors or survivor of the holders on the appointed day of such policy :

- (E) All holders on the twenty-fourth day of June one thousand nine hundred and five of annual policies and their executors administrators and assigns shall have the right to renew such policies on the same terms and subject to such renewal to receive the same bonuses as such policy holders were entitled to immediately prior to such date for twenty-five years from the expiration of the quinquennium current at or completed on such date :
- (F) In all the above cases the last payment of a bonus shall be made at the end of the septennium or quinquennium at the end of which the right of renewal on the same terms shall expire so that in case of a septennial policy being renewable owing to the survival of the policy holder beyond the above-mentioned period of twenty-eight years a final bonus will be paid at the end of the septennium during which the death of the policy holder occurred provided that the policy was duly renewed at the beginning of such septennium :
- (G) Any quotations for new fire insurances made by the Society before the appointed day in respect of which policies are not issued until after the appointed day shall entitle the holders of such policies to the same bonuses and rights of renewal as if the policies had been issued immediately before the appointed day provided that such policies be issued and take effect not later than the first anniversary of the appointed day :
- (H) Annual and septennial fire policies which by reason of re-insurance participate in profits on the appointed day to a partial extent only shall not participate to any greater extent in future notwithstanding that the Company may amend or cancel the re-insurance except in the case of policies which have had their extent of participation reduced owing either to a re-insurance or further re-insurance having become necessary in consequence of the nature of the risk having been altered since the policy was effected in which cases the Company shall on the circumstances again changing so that the Society if it had maintained an independent existence would according to the usual practice of the Society have again kept the larger limit allow bonuses in respect of such larger limit according to the usual practice of the Society but in no case on more than the limit on which the Society either originally or at some intermediate point of time allowed bonuses and similarly if after the appointed day during the currency of an annual or septennial fire policy any alteration in risk occurs whereby the participation in profits becomes subject to reduction or entirely ceases the policy holder shall (as soon

as any further alteration in the risk occurs) thereafter become entitled to such measure (if any) of participation or of fuller participation in profits as he would have been entitled to according to the usual practice of the Society Provided that in the case of annual fire policies there must be a completed participating quinquennium before any bonus is paid: A.D. 1905.

- (J) The above rights of renewal shall be subject to the Company having the same discretionary power that the Society now has to decline to renew any fire policy In the event of such discretionary power being exercised or of the policy being cancelled by the Company during the currency of a septennium or a quinquennium on account of an alteration in the risk or from any other cause there shall be paid to the policy holder a proportionate part of the premium for the unexpired term for which the last premium was paid together with the accrued proportion of the bonus for the septennium or quinquennium then current or expired together with in the case of a septennial policy a further allowance of one half of the value on the basis of compound interest at the rate of 5 per centum per annum of the future bonuses for the remainder of the period of twenty-eight years to which the policy would have been entitled under the terms of this agreement if the policy had not been cancelled:
- (K) In all respects the Society's policy holders in every department and of every class are to be entitled to all benefits established by the practice or prospectuses of the Society in addition to any benefits conferred by this schedule:
- (L) All sums of money required for any of the purposes of this schedule shall be provided by the Company and the Company shall guarantee the payment of the current bonuses and benefits and of the additional bonuses and benefits in the foregoing paragraphs of this schedule mentioned.

The **SECOND SCHEDULE** to which the above-written Agreement refers.

PROVISIONS FOR THE BENEFIT OF LIFE POLICY HOLDERS OF THE SOCIETY.

1. The life policy holders of the Society shall be entitled to the benefits following:—

All participating life policy holders of the Society shall be entitled to receive bonuses at the present rates for the remainder of the duration of their contracts and shall in addition be entitled to share in the

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surplus hereinafter mentioned in the manner hereinafter described
The present rates of bonus for the purposes of this clause shall include
the prospective bonuses already announced by the Society as shown
in the following table as well as corresponding bonuses to vest on
attainment of a deferred age under the deferred bonus and tontine
bonus classes :—

TABLE.

REDUCTION OF PREMIUM SYSTEM (WHOLE LIFE POLICIES).

First and second series 75 per centum of the premium ;
Third series 60 per centum of the premium ;
Fourth series 50 per centum of the premium after ten years ;
Fourth series 45 per centum of the premium after five years ;
Fifth series 45 per centum of the premium after five years ;
Sixth series 45 per centum of the premium after five years.

REDUCTION OF PREMIUM SYSTEM (ENDOWMENT INSURANCES).

30 per centum of the premium after ten years and 25 per centum of the
premium after five years.

REVERSIONARY BONUS SYSTEM (WHOLE LIFE POLICIES AND ENDOWMENT
INSURANCES).

Fourth fifth and sixth series A reversionary bonus of forty shillings
per centum per annum on the sum insured.

REVERSIONARY (PART) BONUS SYSTEM (WHOLE LIFE POLICIES AND
ENDOWMENT INSURANCES).

Fifth and sixth series A reversionary bonus of twenty shillings per
centum per annum on the sum insured.

DISCOUNTED BONUS SYSTEM.

The reductions of premium now being received as the equivalent of
the bonuses declared in the system to which the discounted bonus
policies refer.

POLICIES OF THE SEVENTH SERIES (ALL SYSTEMS).

The amounts and benefits specified in the policies relating to that series.

2. An actuarial valuation shall be made as on the first day of January
one thousand nine hundred and five of all the assets of the Society taking
into account as assets all premiums due in respect of fire life or fixed term
policies before that date but not then paid and of its life annuity and fixed
term liabilities taking into account as liabilities the bonuses mentioned in
clause 1 of this schedule and as assets or liabilities as the case may be all
re-insurances commissions and expenses and all assets and liabilities due and

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payable to or by the Society before the first day of January one thousand nine hundred and five There shall then be considered to be added by the Company to the assets of the Society as ascertained by such valuation the sum of two hundred and eighty-five thousand pounds and the difference between the amount of the assets of the Society so augmented and the amount of the liabilities (such difference being throughout this agreement and this schedule called "the surplus") shall be applied in or towards the payment in respect of the several kinds of insurances or policies in this clause hereafter mentioned of the additional bonuses hereinafter provided in that behalf (that is to say) :—

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- (A) All participating endowment insurances shall be entitled as an additional bonus to an annual reversionary bonus at the rate of ten shillings per centum on the sum insured and all other policies under the reversionary bonus system or under the reversionary (part) bonus system or under the discounted bonus system depending on the reversionary bonus system shall be entitled as an additional bonus to an annual reversionary bonus at the rate of fifteen shillings per centum on the sum insured Such additional annual reversionary bonus shall be subject to the same regulations as the annual reversionary bonuses hitherto declared by the Society and shall begin to accrue on payment of the renewal premium falling due on or after the twenty-fourth day of June one thousand nine hundred and five (except in the case of policies subject to payment of premiums more often than yearly which shall receive no such reversionary bonus in respect of any instalments of premium due on or after the twenty-fourth day of June one thousand nine hundred and five in respect of the policy year current on the twenty-third day of June one thousand nine hundred and five) or if no further premiums be payable on what would have been the next renewal date on or after the twenty-fourth day of June one thousand nine hundred and five if the policy had been effected and maintained by annual premiums payable throughout its duration :
- (B) All other participating policies including policies under which either the full original premiums or the premiums as reduced by profits have been or are being commuted by a single premium or by a limited number of premiums as well as discounted bonus policies depending on the reduction of premium system shall be entitled to an additional reduction of 25 per centum of the amount of the full original premium payable throughout life applicable to the sum insured thereby such additional reduction to first apply in the case of policies which shall on the twenty-fourth day of June one thousand nine hundred and five have been in force ten years or upwards to the next renewal premium falling due on or after the twenty-fourth day of June one thousand nine hundred and five (except in the case of policies subject to payment of premiums

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more often than yearly which shall receive no such reduction in respect of any instalment of premium due on or after the twenty-fourth day of June one thousand nine hundred and five in respect of the policy year current on the twenty-third day of June one thousand nine hundred and five) or if no further premiums be payable on what would have been the next renewal date on or after the twenty-fourth day of June one thousand nine hundred and five if the policy had been effected and maintained by annual premiums payable throughout its duration and in the case of policies which shall on the twenty-fourth day of June one thousand nine hundred and five have been in force less than ten years when they shall have been ten years in force with the option in the case of the last-mentioned policies of commuting the deferred reduction for an immediate reduction of equivalent value calculated by the mortality table of the Institute of Actuaries known as the H^m Table (hereinafter referred to as "the H^m Table") with interest at the rate of 3 per centum per annum:

Provided always that in the case of policies effected by a limited number of premiums or by a single premium or policies in respect whereof the premiums subsequently to the policy being issued have been or are being or shall be commuted by a single premium or by a limited number of premiums or where the sum insured under the policy has been reduced in consideration of the cessation of the premiums there shall be allotted periodically in lieu of the above-mentioned reduction of premium such a reversionary bonus as corresponds to the value of the reduction of premium to which the policy would have been periodically entitled under this present paragraph (B) if it had been effected and maintained by premiums payable throughout life the basis of conversion from reduction of premium to reversionary bonus being that provided in clause 9 in this schedule:

- (C) In addition to the above reversionary bonuses or reductions of premium all participating policies shall receive subject to their being in force on the twenty-fourth day of June one thousand nine hundred and five a special reversionary bonus by way of a percentage of the sum insured of such amount as the balance of the surplus shall be sufficient to provide according to the H^m Table with interest at the rate of 3 per centum per annum:
- (D) Policies originally effected with participation where the sum insured has been reduced in consideration of the cessation or reduction of premiums whether they now participate or not shall be entitled by way of additional bonuses to the same bonuses as they would have received under the above sections of this clause if they had been originally effected for the amount of the sum insured at the twenty-fourth day of June one thousand nine hundred and five

in the system in which they were originally effected and main- A.D. 1905.
tained therein by premiums payable throughout the duration of
the contract:

(E) Provided always as regards all the additional bonuses specified
above—

(1) That in the case of policies where participation has been
postponed to a later date the additional bonuses shall be
postponed until the same date and shall only be reckoned at
the rates specified in this clause therefrom. And that in the
case of deferred bonus whole life policies which are entitled
after the deferred age to only one half of the rates of bonus
then current on reversionary bonus policies the additional
bonuses shall be at only one half of the rates specified in this
clause;

(2) That policies entitled to tontine bonuses shall receive
such additional tontine bonuses as may be equivalent in value
according to the H^m Table with interest at the rate of 3 per
centum per annum to the additional bonuses specified in this
clause;

(3) That paid-up policies shall only share in respect of the
amount of the present sum insured excluding from the present
sum insured any part which represents vested bonuses and
policies where the sum insured is reduced shall only share in
respect of the reduced sum insured in force when each bonus
becomes due.

3. In the event of the surplus at the valuation mentioned in the last
preceding clause of this schedule not being sufficient to provide the 25 per
centum reduction of premium and the annual reversionary bonuses in such
clause respectively specified the rates of reduction of premium and annual
reversionary bonus shall be diminished proportionately in the ratio of the
ascertained surplus to the surplus which would have been required to
give the full rates of bonus above mentioned.

4. The valuation and apportionment of surplus mentioned in the two
last preceding clauses of this schedule shall be made by the actuary of the
Society and the actuary of the Company or if they differ by an umpire to
be appointed by them whose decision shall be final and such valuation shall
be made on the basis of the H^m Table with interest at the rate of 3 per
per centum per annum by the gross premium method throughout. Annuity
contracts shall be valued by the Government 1883 tables. Select tables shall
be used for annuities purchased less than five years before the first day of
January one thousand nine hundred and five.

5. The Company shall guarantee the annuity holders and the fixed term
and life policy holders of the Society the amounts of the annuities and the
amounts insured under the policies and all reversionary and other bonuses
already declared thereon and not paid in cash and all future bonuses and

A.D. 1905. reductions of premium at the present rates according to the table in clause 1 of this schedule and (subject to clause 3 of this schedule) the further annual reversionary bonus and the additional reduction of premium of 25 per centum and the special reversionary bonus above mentioned.

6. Surrender values of the Society's life policies (in cases where according to the Society's rules surrender values are given) shall be calculated and guaranteed by the Company at the full value by the gross premium method according to the H^m Table with interest at the rate of 4 per centum per annum allowing for guaranteed reversionary bonuses and reductions of premium. The whole or any part of the reversionary bonuses attaching to a policy may be at any time surrendered on the basis of the H^m Table with interest at the rate of 4 per centum per annum. Provided that until a policy has been in force three years the surrender value of a policy including the surrender value given for any bonuses which may have been surrendered shall not exceed the amount of the premiums paid. Provided always that if there be already guaranteed by the Society a surrender value in excess of the amount so obtained the Company shall pay the surrender value guaranteed by the Society.

7. A paid-up policy may be taken at any time in lieu of the surrender value of a policy. The amount of such paid-up policy is to be ascertained by applying the surrender value as a single premium according to the H^m Table with interest at the rate of 4 per centum per annum. But in any cases where the amount of such paid-up policy has been guaranteed by the Society in excess of that obtained by the application of the above rule the guaranteed amount of such paid-up policy shall be given.

8. Commutations of the whole or any part of the future premiums under any life policy or endowment insurance shall be guaranteed by the Company on the basis of the H^m Table with interest at the rate of 3½ per centum per annum for the first five years after the appointed day and thereafter on the basis of the same table at a rate of interest one half per centum per annum more than that used at the valuation of the Hand-in-Hand Fund and of its liabilities as hereinafter prescribed which shall last precede such commutations. In the case of policies effected under the reduction of premium system either the full premiums or the reduced premiums may be commuted. Provided that in a case where the full premiums are commuted the reduction of premium for each subsequent year shall be applied in the purchase of a corresponding reversionary bonus as provided in the next succeeding clause of this schedule.

9. In the case of policies effected under the reduction of premium system whether whole life policies or endowment insurances which are subject to premiums payable throughout the duration of the policy the policy holder shall in each year have the option of taking the reduction of premium for that year in cash or of converting it into the equivalent reversionary bonus according to the Society's existing practice videlicet

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The Northampton Table of Mortality with interest at the rate of 3 per centum per annum for whole life policies series 1 to 4 The mortality table of the Institute of Actuaries known as the H^{m(5)} Table with interest at the rate of 2½ per centum per annum for whole life policies series 5 6 and 7 The H^m Table with interest at the rate of 3½ per centum per annum for endowment insurances. A.D. 1905.
—

The same basis shall be used in converting reductions of premium to reversionary bonuses in the case of policies under the reduction of premium system effected by single or limited premiums or under which the full premiums have been or are being or shall be commuted such reductions of premium being reckoned on the corresponding premium payable throughout the duration of the policy.

10. Conversions from one class of policy to another are to be allowed and based upon the principle of equality of reserves by the gross premium method according to the H^m Table with interest at the rate of 3 per centum per annum provided that the risk of the Company is not increased by such conversion. If the risk be increased the same principle must hold subject to satisfactory medical examination.

The tables to which conversions of convertible term policies are to be allowed in accordance with the provisions of the policies shall be any tables published at the time of conversion by either the Society or the Company.

11. Options to convert whole life policies under the reduction of premium system into limited premium policies or endowment insurances will be based on equality of reserves as laid down under clause 10 of this schedule with respect to conversions from one class of policy to another but where the Society have guaranteed more favourable terms of conversion such more favourable terms shall be guaranteed by the Company.

12. In all respects the Society's policy holders in every department and of every class are to be entitled to all benefits established by the practice or prospectuses of the Society in addition to any benefits conferred by this schedule.

13. A valuation of the assets of the Hand-in-Hand Fund and of its liabilities the guaranteed reversionary bonuses and reductions of premium to be included in arriving at the amount of the liabilities shall be made at least once in every five years by the H^m Table or by the mortality table known as the O^{m(5)} Table in the British Office Life Tables 1893 with interest at the rate of 3 per centum per annum subject to the condition that the rate shall be reduced to 2¾ per centum per annum if the average rate of interest realised on the said fund for the year preceding the date of the valuation shall be less than 3¾ per centum per annum net after deduction of income tax and to 2½ per centum per annum should such average rate of interest fall below 3½ per centum per annum net after deduction of income tax.

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14. Any surplus of the assets over the liabilities of the Hand-in-Hand Fund ascertained from time to time under the last paragraph shall belong absolutely to the Company and may be withdrawn by the Company accordingly.

The THIRD SCHEDULE to which the above-written
Agreement refers.

DIRECTORS ON BOARD OF COMPANY REPRESENTING THE SOCIETY AND
BRANCH BOARD.

1. Four of the directors of the Society in office immediately before the appointed day shall on the appointed day or as soon as convenient thereafter be nominated as to two of them by the directors of the Company and as to the remaining two of them by the directors of the Society in office immediately before the appointed day (hereinafter called "the present directors") to be directors of the Company and shall as from the appointed day become and be directors of the Company in addition to the other directors thereof.

2. Whenever any of the four above-mentioned persons ceases to be a director of the Company the vacancy thereby created shall be filled by the appointment of another of the present directors to be nominated by such of the present directors as shall retain the qualification of a director of the Society including such of them as shall for the time being be directors of the Company if the person so ceasing to be a director of the Company was a director nominated by the directors of the Society and to be nominated by the directors of the Company if the person so ceasing to be a director of the Company was a director nominated by the directors of the Company.

3. The qualification of each person who under the above clauses may become a director of the Company either originally or upon the occurrence of a vacancy shall be the qualification which qualified him to be one of the directors of the Society immediately before the appointed day and every such person shall cease to be a director of the Company if he cease to hold such qualification as in this clause mentioned or if any of the events occur with respect to him (other than his ceasing to hold the required amount of shares to qualify him for office) upon which under the articles of association of the Company the office of a director of the Company is vacated.

4. Directors of the Society becoming directors of the Company under the above clauses shall whilst directors of the Company be ex officio members of the branch board hereinafter mentioned but without any additional remuneration

5. The remuneration of the directors of the Company appointed under the above clauses shall be the same as the remuneration of the other directors of the Company.

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6. If any present director of the Society who shall have become a director of the Company shall cease to be such director he shall cease to be an ex officio member of the said branch board but if he shall have ceased to be such director of the Company by reason of not being re-elected or in consequence of a notice in writing by him to the Company resigning his office and shall within twenty-one days after so ceasing to be a director of the Company by notice in writing to the secretary of the Company declare his election to remain a member of the said branch board he shall remain a member thereof with the remuneration rights and powers and subject to the regulations relating to the office of a member of such branch board. A.D. 1905.

7. The present directors of the Society shall form a branch board of the Company and shall require the same qualification for and be subject to the same conditions (except as to retirement by rotation) as to vacation of their office as members of such branch board as the present directors of the Society who for the time being shall be directors of the Company shall require for and be subject to as to vacation of their office as directors of the Company except that with regard to members of the branch board who are not directors of the Company the persons to give leave of absence to such member shall be the branch board. Such branch board shall have the powers and authorities of a local board of the Company.

8. The remuneration of the members of the branch board (other than the ex officio members thereof above mentioned) shall be such a sum in each year as shall bear the same proportion from time to time to the amount of the fees paid in respect of the twelve months immediately before the appointed day to the directors of the Society as the number from time to time of the members of the branch board (other than as aforesaid) bears to the number of the directors of the Society in office at the date of this agreement.

9. The said remuneration shall be distributed amongst the members of the branch board (other than as aforesaid) and their attendance shall be arranged in such manner as they may from time to time determine.

The **FOURTH SCHEDULE** to which the above-written
Agreement refers.

PROVISIONS WITH RESPECT TO THE STAFF AND EMPLOYEES OF THE SOCIETY.

1. The following provision shall be made for the employees of the Society:—

- (A) The secretary and actuary of the Society shall be appointed life manager and actuary of the Company at a salary of three thousand pounds per annum for a minimum term of five years from the appointed day terminable after such five years by either side on six months' notice and if the appointment be so

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terminated he shall receive for the remainder of his life a pension of two thousand pounds per annum or two thirds of the then amount of his salary whichever shall be the greater amount Provided that the Company shall be at liberty to appoint a joint actuary :

- (B) Each of the two assistant secretaries of the Society shall receive an appointment on the staff of the Company for a minimum period of five years from the appointed day at a salary of nine hundred pounds to be increased to one thousand pounds as from the thirty-first day of December one thousand nine hundred and five and if such appointments shall be renewed after the expiration of such period shall receive not less favourable terms and if the appointments be terminated by the Company at the end of such five years or at any later date or if such assistant secretary attain the age of sixty in the service of the Company he shall receive (unless his appointment be terminated by the Company for fraud or gross misconduct) for the remainder of his life a pension of seven hundred and fifty pounds per annum or two thirds of his salary at the date of his retirement whichever shall be the greater amount :
- (C) The assistant actuary of the Society shall be appointed assistant actuary of the Company at a salary of five hundred pounds per annum the appointment to be for a minimum period of five years from the appointed day and if the appointment be renewed after the expiration of such period he shall receive not less favourable terms and if the appointment be terminated by the Company at the end of such five years or at any later date (unless the appointment be terminated by the Company for fraud or gross misconduct) he shall receive a cash payment equal to one year's salary and a pension from the date of his retirement for the remainder of his life of two thirds of his salary at the date of retirement Provided that if the appointment be not previously terminated by the Company he shall on attainment of the age of sixty retire and receive a pension for the remainder of his life of two thirds of his salary at the date of his retirement :
- (D) The resident secretaries district agents and district inspectors of the Society shall be taken over at the salaries privileges emoluments and advantages of all kinds enjoyed by them at the appointed day and be confirmed in their present appointments or placed in positions of at least equal standing and shall receive in the future such further increases of salary as the services rendered by them may justify The appointments are in all cases to be for a minimum period of five years and if the appointments be renewed after the expiration of such period they are to be on not less favourable terms and if an appointment be terminated by the Company at the end of such five years or at any later date

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the holder of the appointment shall (unless the appointment be terminated by the Company for fraud or gross misconduct) receive a cash payment equal to one year's salary and a pension from the date of his retirement for the remainder of his life of two thirds of his salary at the date of his retirement. Provided that if his appointment be not previously terminated by the Company the holder of an appointment shall on the attainment of sixty-five years of age or if being at least sixty years of age he has completed forty years' service either with the Company or with the Society or with any other insurance office before entering the service of the Society retire and receive a pension for the remainder of his life of two thirds of his salary at the date of his retirement:

The employees referred to in this paragraph are the following:—

Office.	Name.
Birmingham	C. R. Sayer.
Birmingham	A. M. Seymour.
Bristol	J. R. Blandford.
Dundee	J. Thobaven.
Glasgow	J. W. Stewart.
Leeds	A. W. Sneath.
Leicester	G. David Potts.
Liverpool	P. G. P. Eyre.
Newcastle	G. A. McKean.
Manchester	J. Morrison.
Bacup	J. H. Lord.
Ipswich	C. South.

(E) All assistant resident secretaries chief clerks at the Society's branch offices inspectors at the chief office or branches and heads of departments at the chief office shall be taken over at the salaries privileges emoluments and advantages of all kinds enjoyed by them at the appointed day and be confirmed in their present appointments or placed in positions of at least equal standing and shall receive in the future such further increases of salary as the services rendered by them may justify. The appointments are to be continued (except in the case of fraud or gross misconduct) on not less favourable terms until the holder of the appointment attains sixty-five years of age or being at least sixty years of age has completed forty years' service either with the Company or with the Society or with any other insurance office before entering the service of the Society when he shall have the right to retire and receive a pension for the remainder of his life of two thirds of his salary at the date of his retirement. Provided that the directors of the Company shall have the right to retire on a pension of two thirds of his salary at the time of his

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retirement any employee referred to in this clause who may prove incompetent or whose conduct may not prove satisfactory :

The employees referred to in this paragraph are the following:—

Office.	Name.	Duties.
Chief - -	J. Forrest - -	Accountant.
Chief - -	G. A. Tregaskis - -	Chief of Agency Department.
Chief - -	H. J. Rugg - -	Chief of Guarantee Department.
Chief - -	W. Sharp - -	Chief of Town Department.
Chief - -	A. K. Fletcher - -	Chief of Fire Loss Department.
Chief - -	W. W. Gill - -	Country Agency Manager.
Chief - -	F. S. Healy - -	Chief of Secretary's Department.
Chief - -	B. G. Fabian - -	Surveyor.
Chief - -	F. E. Nunneley - -	Inspector.
Chief - -	F. K. Rose - -	Inspector.
Chief - -	Miss Deverell - -	Chief of Typist's Department.
Birmingham	W. J. Bradnock - -	Chief Clerk.
Bristol - -	H. M. Shellard - -	Assistant Resident Secretary.
Glasgow - -	E. G. Thompson - -	Fire Inspector and Surveyor.
Glasgow - -	J. H. Gray - -	Chief Clerk.
Leeds - -	F. B. Teale - -	Inspector.
Leeds - -	A. Kaye - -	Inspector.
Leeds - -	V Gruenwell - -	Chief Clerk.
Leicester - -	N. D. Lowe - -	Inspector and Surveyor.
Liverpool - -	C. K. James - -	Inspector and Surveyor.
Manchester - -	F. Holden - -	Inspector, Fire.
Manchester - -	F. W. Holding - -	Chief Clerk.
Manchester - -	E. H. Manley - -	Inspector, Fire.
Manchester - -	A. Smith - -	Inspector, Life.

(F) The whole of the remainder of the employees of the Society whether at the chief or branch offices in receipt of salaries paid weekly or monthly shall be taken over by the Company on the following terms:—

(1) The Company shall confirm the employees in all the salaries privileges emoluments and advantages of all kinds enjoyed by them on the appointed day and shall give such future increases of salary as the services rendered by them shall justify and shall retain their services (subject to good behaviour) until the employee either attains the age of sixty-five or being at least sixty years of age completes forty years' service either with the Company or with the Society or with any other insurance office before entering the service of the Society ;

(2) On the attainment of the age of sixty-five or the completion of forty years' service (in the latter case the age attained being at least sixty years of age) unless terms be mutually arranged between the Company and the employee for a continuance of service the employee shall retire and shall be paid thereafter by the Company an annual pension calculated

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on the basis of one sixtieth of his salary at the date of his retirement in respect of each year of service either with the Company or with the Society or with another insurance office before entry into the service of the Society; A.D. 1905.

(3) Nevertheless the Company shall be entitled to terminate the service of any such employee of the Society in the case of fraud or gross misconduct without pension or in the event of his conduct not being satisfactory in any other respect with a pension calculated on the basis of one sixtieth of his salary at the date of the termination of his service for each year of service with the Society or previous service with any other insurance office the addition of any further amount for the years of his service with the Company being left to the absolute discretion of the directors of the Company:

- (G) For the purpose of the general provisions of this clause where the same occurs the expression "each year of service" shall not be considered to exclude fractions of a year the intention being that the employee shall receive a pension calculated on the basis of one sixtieth of his salary in respect of each of the total aggregate number of years of his insurance service:
- (H) For the purpose of calculating the amount of pension of an employee whose remuneration at the date of retirement consisted partly of commission on fire profits and life over-riding commission there shall be added to his salary the amount of such annual commissions reckoned on the average of the three years ending on the thirty-first day of December preceding the date of his retirement. And the employee shall be entitled to draw in addition any fire or life commissions accruing after his retirement so long as the business is continued with the Company through his agency and he continues to give the Company the first offer of all his insurance business:
- (I) In every case a pension payable under the provisions of this agreement is to be subject to and on the condition that the recipient of the pension is not without the consent of the directors of the Company to transact insurance business of any of the kinds transacted by the Company for the time being or to connect himself in any capacity with any other company firm or person carrying on insurance business:
- (K) All salaries and pensions shall be paid monthly (except those now paid weekly) and free of income tax:
- (L) In any case where the health of an employee has in the opinion of two of the Company's medical officers permanently broken down the directors of the Company shall have the right to retire such employee and he shall be entitled thenceforth to a pension of two thirds of his salary at the date of such retirement or such

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larger pension as may be provided by any of the foregoing provisions of this schedule which may apply to his case in the event of an appointment being terminated by the Company :

(M) No appointment of any employee of the Society shall be terminated except with the approval of a majority of the directors of the Society for the time being on the board of the Company

2. Without prejudice to the power of the Company to retain its existing medical officers and to appoint successors to them the medical officers of the Society shall be appointed medical officers of the Company at the same fees as those paid to them by the Society.

3. The solicitors of the Society shall be appointed solicitors of the Hand-in-Hand Fund.

4. Messieurs Turquand Young and Company the auditors of the Society shall be appointed auditors of the Hand-in-Hand Fund at the same fees as those paid to them by the Society.

5. The assessors and valuers employed by the Society shall be continued in the same capacity by the Company.

J. B. LYALL.

JOHN TROTTER.

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