



## CHAPTER xlv.

An Act to incorporate the Friends' Provident Institution and to provide for the management of its affairs and for other purposes. A.D. 1915.  
[2nd July 1915.]

**W**HEREAS the Friends' Provident Institution (hereinafter called "the old Institution") was established in the year one thousand eight hundred and thirty-two under the laws then in force relating to friendly societies with the object of raising by subscription amongst the members thereof a fund for the mutual benefit relief and maintenance of such members their wives children or relations or such other persons as might become entitled under the rules of the old Institution for the time being in force and which might be effected by any of the modes of assurance in such rules mentioned :

And whereas the old Institution is a society not limited by law as to its scope and operation in respect of the amount for which policies of assurance payable at death may be granted and at the passing of the Friendly Societies Discharge Act 1854 the old Institution granted and effected such policies for sums exceeding one thousand pounds and was accordingly one of the societies affected and provided for by that Act and is thereby empowered to make such new rules or alterations in rules as shall not be repugnant to law without being required to submit the same to the Registrar of Friendly Societies : 17 & 18 Vict.  
c. 56.

And whereas by the Friends' Provident Institution Act 1899 further privileges were conferred upon the old Institution : 62 & 63 Vict.  
c. lv.

And whereas the old Institution is governed pursuant to section 4 of the Friendly Societies Discharge Act 1854 by rules which have from time to time been altered as therein provided :

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And whereas the business of the old Institution has been carried on since the establishment thereof and has greatly increased and the old Institution has now a premium income exceeding one hundred and seventy thousand pounds per annum a total income exceeding three hundred thousand pounds per annum and assets exceeding three million three hundred thousand pounds:

And whereas many of the provisions of the Friendly Societies Acts relating to the old Institution are antiquated obsolete and not suitable for the regulation of a society of the magnitude of the old Institution and for this and other reasons it is expedient that the old Institution should be incorporated and that the powers provisions and rules under which the affairs of the old Institution are managed and transacted should be amended as by this Act provided:

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):—

Short title

1. This Act may be cited as the Friends' Provident Institution Act 1915.

Commence-  
ment of Act.

2. This Act shall come into operation on the twenty-first day of November one thousand nine hundred and fifteen which date is in this Act referred to as "the commencement of this Act."

Interpreta-  
tion.

3. In this Act and in the rules contained in the Schedule to this Act or other the rules for the time being of the Institution as incorporated under this Act the following words and expressions shall have the meanings hereby assigned to them respectively unless there be something in the subject or context repugnant to such construction (that is to say):—

The expression "the old Institution" shall mean the Friends' Provident Institution as constituted immediately before the commencement of this Act;

The expression "the Institution" shall mean the Friends' Provident Institution as incorporated by this Act;



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The expressions "the directors" "the chairman" "the secretary" and "the actuary" shall mean respectively the directors the person for the time being presiding on the board of directors the secretary and the actuary of the Institution all for the time being;

The expression "the laws of the Institution" shall mean the provisions of this Act;

The expression "the rules" shall mean the rules of the Institution for the time being in force;

The word "assurance" shall mean any contract made in consideration of a premium or premiums for the payment of any money on the happening of any contingency or event whether dependent on or connected with life or not or any contract for the payment of any annuity and the word "policy" shall mean the instrument evidencing any such contract;

The word "member" and the expression "member of the Institution" shall mean the person if living who shall have effected with the old Institution or the Institution any assurance in the benefit of which he shall retain an interest notwithstanding that the benefit thereof may be encumbered or otherwise partially disposed of or vested in a trustee If more than one person shall have effected the same assurance the word "member" and the expression "member of the Institution" shall mean such one of them if living as shall from time to time be nominated for that purpose by notice in writing signed by all of them and sent to the Institution or failing such nomination that one of such of them as shall be living whose name appears first in the policy In the case of an assurance effected by any corporation aggregate the word "member" and the expression "member of the Institution" shall mean the person duly appointed by such corporation under seal for that purpose But whether the assurance shall be effected by one person or by more than one person or by any such corporation as aforesaid the word "member" and the expression "member of the Institution" shall not mean or include any person claiming by transfer whether by operation of law or not;

The word "lands" shall mean and include lands houses buildings tenements messuages and hereditaments of every

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description or tenure and (unless expressly restricted) wherever situated and every vested contingent reversionary or other estate right or interest therein or issuing there-out or relating thereto respectively;

The word "existing" shall mean existing immediately before the commencement of this Act;

The expression "the Friendly Societies Acts" shall mean the following Acts 10 Geo. IV. ch. 56 4 & 5 Will. IV. ch. 40 3 & 4 Vict. ch. 73 9 & 10 Vict. ch. 27 13 & 14 Vict. ch. 115 15 & 16 Vict. ch. 65 16 & 17 Vict. ch. 123 and 17 & 18 Vict. ch. 56.

Repeal of  
Act and  
rules.

4. Subject to the provisions of this Act the Friends' Provident Institution Act 1899 (except sections 11 and 12 thereof) and the existing rules of the old Institution are hereby repealed without prejudice to anything done or suffered under the said Act or rules or any of them and the Institution shall not be under or subject to the Friendly Societies Acts.

Incorpora-  
tion of Insti-  
tution.

5. The existing members of the old Institution (which expression shall not be deemed to include any person or the appointee of any corporation aggregate who shall not immediately before the commencement of this Act have possessed an interest in the benefit of an assurance effected by such person or corporation with the old Institution) and all persons who shall become members of the Institution shall be and are hereby incorporated by the name of the "Friends' Provident Institution" with perpetual succession and a common seal with such constitution objects and powers and subject to such regulations for its government and the management of its business and affairs (including therein the management of its property) as are contained in this Act and the rules.

Objects of  
Institution.

6. The objects of the Institution are—

(i) To grant all such assurances (with or without the right to participate in the surplus or profits of the Institution) for the payment of money on the happening of any contingency or event whether dependent on or connected with life or not and to grant all such annuities as may by law be granted and as the directors may think fit to grant:

(ii) To re-assure the whole or such part of any of the risks of the Institution and undertake by way of



re-assurance such risks (being in all cases risks in respect of which the Institution could for the time being themselves grant assurances) as the directors may from time to time think fit. A.D. 1915.

7. The Institution shall have power—

Powers of  
Institution.

- (i) To grant all such assurances and annuities and to effect all such re-assurances and undertake all such risks as aforesaid :
- (ii) To sue and be sued by its corporate name :
- (iii) To acquire and hold lands for the purposes of the Institution without any licence in mortmain :
- (iv) To sell exchange mortgage charge lease manage farm maintain build upon develop or otherwise improve dedicate to the public or otherwise deal with or dispose of the lands of the Institution or any part thereof or any estate or interest therein or relating thereto :
- (v) To borrow money with or without giving security for the repayment thereof with or without interest thereon or any premium and whether for a term or not And subject to any statutory provisions for the time being in force relating to the amalgamation of assurance companies or the transfer (whether on purchase or not) of the business of one such company to another to enter into and carry into effect any contract or agreement for purchasing acquiring or taking over all or any of the business property rights and liabilities of or amalgamating with any other society association or company carrying on any business within the objects of the Institution or for undertaking paying and performing all or any of the assurances annuities and engagements of any such other society association or company.

8. Subject to the provisions of this Act all property of every description (including things in action) which immediately before the commencement of this Act belonged to or was vested in the old Institution or to which the old Institution was entitled shall belong to and be recovered held and enjoyed by

Saving of  
rights to  
property.

A.D. 1915. the Institution and any person who immediately before the commencement of this Act held any property or investment as a trustee for the old Institution shall after such commencement hold the same upon trust for the Institution and shall with regard thereto act in all respects under and in accordance with the directions of the Institution.

Saving for  
owners of  
existing  
assurances.

9.—(1) Notwithstanding such repeal as aforesaid and any other provisions of this Act all existing assurances of the old Institution shall entitle the persons entitled to the benefit thereof to the same security rights benefits and remedies as against the Institution and as to nomination and otherwise as they would have had against the old Institution or otherwise and the Institution shall have the same protection and security as the old Institution and the said existing assurances shall after the incorporation of the Institution be held in the same rights on the same trusts and subject to the same powers provisions charges and liabilities as those in on or to which they were held immediately before such incorporation and so as to give effect to and not to revoke any deed will or other instrument or testamentary or other disposition disposing of or affecting the said assurances and trustees and all other holders in any representative or fiduciary capacity of any existing assurances of the old Institution may hold dispose of or otherwise deal with the said assurances after the incorporation of the Institution in all respects as they might have held disposed of or otherwise dealt with the same assurances before such incorporation Provided always that for the purposes of this section and for the purpose of determining the rights and liabilities under any such existing assurance as aforesaid the rules of the Institution shall be deemed to be the rules of the old Institution.

(2) For the purposes of this Act all assurances purporting to have been granted by the old Institution shall be deemed to have been validly granted by the old Institution.

Saving for  
transactions  
and actions.

10. Notwithstanding such repeal as aforesaid and any other provisions of this Act—

(i) All conveyances leases deeds mortgages bonds contracts agreements securities awards appointments notices and other acts and things made and entered into executed given or done by or with the old Institution or any person on its behalf and in force at the date



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of such repeal as aforesaid shall be as valid and effectual to all intents in favour of against and with reference to the Institution as they would respectively have been before the commencement of this Act in favour of or against or with reference to the old Institution:

- (ii) Any action arbitration or other proceeding or cause of action arbitration or other proceeding pending or existing at the commencement of this Act by with against or in favour of the old Institution or any person on its behalf shall not abate or be prejudicially affected by the passing of this Act but on the contrary may be continued or commenced and carried on by with against or in favour of the Institution in the same manner as they could respectively have been before the commencement of this Act by with against or in favour of the old Institution but so nevertheless that all causes of arbitration (other than a cause of arbitration the subject matter of an arbitration pending at the commencement of this Act) which but for this Act would have been determined pursuant to the rules of the old Institution shall be determined pursuant to the rules:
- (iii) All books and documents of or concerning the old Institution which if this Act had not been passed would have been admissible in evidence shall be admissible in evidence in relation to the Institution.

**11.**—(1) The persons who immediately before the commencement of this Act were the directors of the old Institution shall subject to the laws of the Institution and to the rules be the directors of the Institution.

Existing directors and officers to continue.

(2) All officers servants agents and others in the employment of the old Institution immediately before the commencement of this Act shall continue to hold their respective offices and employments under the Institution with the like rights and privileges and subject to the like conditions and obligations as if they had been appointed to their respective offices and employments under this Act.

**12.** The government direction and administration of the business and affairs of the Institution and the appointment and removal of the officers trustees agents and others (other than

Government and direction of Institution's affairs

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A.D. 1915. those by the rules prescribed to be appointed by the members) connected with the Institution or its affairs or property shall be vested in the directors who shall not be eligible for election as directors unless they are members of the Institution and shall be of such number and have such qualifications and be continued appointed or elected in such manner and with such powers and duties as shall be prescribed by the rules.

Power to change name.

**13.** The Institution may from time to time with the sanction of a general meeting of the members change its name but no such change of name shall be effective until it is advertised in the London 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 Institution and any legal proceedings may be continued or commenced against the Institution by its new name that might have been continued or commenced against the Institution by its former name.

Principal office.

**14.** The principal office of the Institution shall be in the city of Bradford unless and until it shall be otherwise determined at a general meeting of the members.

Annual general meetings of Institution.

**15.** An annual general meeting of the members shall be held at such place in every calendar year and upon such date as may be appointed in accordance with the rules at which meeting the directors shall present a report on the business and affairs of the Institution and such other business shall be transacted as may be prescribed by the rules.

Special general meetings.

**16.** Special general meetings of the members shall be held at such place as the directors may from time to time think fit and such meetings may be called and held under such conditions as may be prescribed by the rules.

Rates of contributions how to be regulated.

**17.** The rates of contributions or premiums for assurances to be charged by the Institution shall be settled or regulated upon such terms or according to such tables as the directors may approve with the concurrence of the actuary.

Alterations in tables of contributions.

**18.** No alterations shall be made in the tables of contributions or premiums without the concurrence of the actuary and when any alteration shall be made in the tables of contributions or premiums neither the Institution on the one hand nor the members on the other shall be entitled to require that those altered contributions or premiums shall apply to assurances already in existence.



19. The books of the Institution shall be open at all convenient times to the inspection of the auditors or of any of the directors who may choose to inspect the same but it shall not be in the power of any member other than an auditor or a director to inspect the books except in pursuance of a resolution of the directors or of an annual general meeting or a special general meeting of members and his inspection shall extend only so far as such resolution may expressly authorise or direct.

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Books of  
Institution  
to whom to  
be open.

20. All policies granted by the Institution shall be valid and sufficient if signed by at least one director and countersigned by the secretary or actuary or by any such person in the employment of the Institution as the directors may from time to time authorise in that behalf.

Authenti-  
cation of  
policies.

21.—(1) Contracts on behalf of the Institution other than policies may be made as follows (that is to say):—

Form of  
contracts  
and bills of  
exchange  
and promis-  
sory notes.

(i) Any contract which if made between private persons would be by law required to be in writing and under seal may be made on behalf of the Institution in writing under the common seal of the Institution and may in the same manner be varied or discharged:

(ii) Any contract which if made between private persons would be by law required to be in writing signed by the parties to be charged therewith may be made on behalf of the Institution in writing signed by any person acting under its authority and may in the same manner be varied or discharged:

(iii) Any contract which if made between private persons would by law be valid although made by parol only and not reduced into writing may be made by parol on behalf of the Institution by any person acting under its authority and may in the same manner be varied or discharged.

(2) All contracts made according to this section shall be effectual in law and shall bind the Institution and all other parties thereto to the same extent as if such contracts had been made in the manner which would have been required if this section had not been enacted.

(3) A bill of exchange or promissory note shall be deemed to have been made accepted or endorsed on behalf of the Institution if made accepted or endorsed in the name of or by

A.D. 1915. or on behalf or on account of the Institution by any person acting under its authority.

Banking  
accounts may  
be opened.

**22.** The directors may open banking accounts and subsidiary banking accounts in the name of the Institution with such bank or banks as they may select. Each subsidiary account shall be sufficiently distinguished as a subsidiary account by an appropriate name or number and every banking account may be operated on by such of the directors officers agents or persons in the employment of the Institution as the directors may authorise to that effect and under such regulations and conditions as may be made from time to time by the directors.

Investments.

**23.** The funds of the Institution may be laid out and invested by the directors in the name or under the control of the Institution or in any case in which the directors consider such a course necessary or advisable in the names of not less than two trustees on behalf of the Institution in any of the ways for the time being authorised by the rules and the directors may also from time to time vary any such investments.

Vesting of  
property in  
Institution.

**24.—(1)** On the commencement of this Act all such property real and personal including interests and rights in to or out of or in relation to property real and personal and including obligations securities and things in action and the right to exercise and execute powers (including the power to appoint a new trustee) as may belong to or be held in trust for or be exerciseable by any trustees for the old Institution (except as hereinafter mentioned) shall without any conveyance transfer or assurance or other document being made or required and without the licence or consent of any person or corporation being for that purpose necessary or required and without causing a forfeiture notwithstanding that any such licence or consent be not obtained pass to and be vested in and exerciseable by the Institution for all the estate and interest and with all the powers of the old Institution and of the trustees for the old Institution therein and for all purposes. Except that as to the following classes of property this subsection shall only apply to the equitable estate or interest therein (viz.) :—

- (i) Copyhold lands ;
- (ii) Property the legal estate or interest wherein is not transferable by deed ; and
- (iii) Stocks shares and debentures transferable only in books kept by a company or other body or in manner directed by or under Act of Parliament.



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(2) Any trustee in whose name any property of any of the three classes lastly hereinbefore referred to may be standing shall as soon as may be when and as required by the directors by proper conveyance transfer assurance or other means transfer the same to the Institution or as the directors may direct.

(3) This section shall not unless the Institution shall by deed otherwise declare operate to vest in the Institution any leasehold or freehold reversion or other estate or interest in any property if the vesting thereof in the Institution would cause a release or merger of any right or estate or interest of the Institution. But if the Institution shall so as aforesaid otherwise declare the same shall vest in accordance with and under subsection (1) of this section except that such vesting shall take place on the execution of such declaration and subsection (2) of this section shall apply thereto accordingly.

(4) In place of the stamp duties payable in respect of the vesting effected by subsection (1) of this section (including any vesting pursuant to any such declaration as is referred to in subsection (3) of this section) there shall be levied and raised for the use of His Majesty a stamp duty of five pounds which shall be impressed upon a King's Printer's copy of this Act and the Institution shall produce the stamped copy to the Commissioners of Inland Revenue within six months after the commencement of this Act.

(5) The registrars of the Land Registry and of any registry to which the Yorkshire Registries Act 1884 relates shall upon the application of the Institution and the production to them respectively of a King's Printer's copy of this Act stamped as hereinbefore provided and upon payment of the appropriate fee substitute in the register the name of the Institution for the name of any such trustee as aforesaid.

**25.** The funds of the Institution shall alone be liable to answer and make good all claims and demands in respect of every policy of assurance and grant of annuity or other liability or debt of the Institution.

Limitation  
of liability of  
members  
directors and  
officers.

**26.** The directors trustees (if any) officers clerks and servants of the old Institution and of the Institution respectively shall be indemnified out of the funds of the Institution from and against all costs charges damages losses and expenses

Indemnity of  
directors and  
others.

A.D. 1915. — incurred or sustained or to be incurred or sustained in the execution of their respective offices and duties unless the same shall have happened or shall happen by their own wilful neglect or default and none of them shall be answerable for any act or default of any other of them or of any banker or other person with whom any moneys or property of the Institution may be deposited for safe custody or otherwise or for the insufficiency of any security or for any other loss unless the same shall happen by or through their own wilful neglect or default respectively.

Liability of funds.

**27.** The funds of the Institution shall be kept and chargeable for the support of all assurances of the Institution in accordance with the provisions applicable to the Institution of the Assurance Companies Act 1909 or other the public Act or Acts for the time being applicable to the Institution and may be applied for or towards the purposes in this Act or in the rules mentioned and in defraying the necessary or proper expenses attending the management of the Institution including the remuneration of the directors the salaries and other remunerations and pensions (if any) of other officers clerks and servants of the Institution fixed by the directors and any pensions prior to the commencement of this Act paid by the old Institution which the directors may think fit to continue and the charges for legal expenses and all other matters which are incidental to the business of the Institution or which may promote its interests.

Formation of special funds.

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

Power to minors to effect assurances with Institution.

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



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

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Institution  
not to be  
bound by  
trusts.

**31.** The person in whom the benefit of any assurance is for the time being legally vested whether such person is beneficially entitled thereto or holds the same as mortgagee of or as trustee for any other person may (unless being a mortgagee or trustee he is expressly prohibited from so doing by the terms of his mortgage or trust) surrender in whole or in part to the Institution the benefit of such assurance including any bonus additions thereto or any such bonus additions separately either for a cash payment or in consideration of the assurance being converted into a paid-up assurance for a reduced amount or in exchange for any paid-up or other assurance to be substituted for the original assurance or (where any such bonus addition is separately surrendered) in consideration of a permanent reduction in the premium on the assurance to which such addition was made or may (except as aforesaid) make any such surrender as aforesaid for any other consideration or may otherwise deal with such assurance and bonus additions as may be agreed between such person and the directors and if the benefit of any assurance is legally vested in the Institution as mortgagee or charged to it by way of deposit or otherwise the power of sale vested in the Institution by virtue of such mortgage or charge may be exercised by the surrender to itself of such assurance the Institution giving credit or otherwise accounting for the surrender value of such assurance Any surrender or agreement made or entered into under this section shall be valid and effectual in all respects.

Power to  
surrender  
and deal  
with assur-  
ances.

**32.** The directors shall have power if and when they shall think fit to assign to any assurance effected on terms of participation in profits and becoming a claim before the expiration of any current quinquennial period a proportionate or interim bonus in respect of the time elapsed since the last allotment of bonus and to make provision as to the time and

Interim  
bonus.

A.D. 1915. method of paying or crediting such proportionate or interim bonus to the person entitled to the benefit of such assurance.

Rules.

**33.** The rules in the schedule hereto shall be the rules of the Institution and they or other the rules for the time being of the Institution may be altered by any repeal or amendment thereof or of any of them or by any addition thereto in the following manner and subject to the following conditions:—

(1) If such alteration be—

(a) recommended at a meeting of the directors by not less than two-thirds of the whole number of directors of the Institution and subsequently approved at a general meeting of the members of the Institution; or

(b) approved by not less than two-thirds of the members present and voting at a special general meeting to be held upon a requisition signed by twenty-five or more members owning among them policies (including annuity assurances) in respect whereof they are members of an aggregate amount of not less than fifty thousand pounds (such requisition containing a copy of the proposed alterations) which meeting the directors shall convene in the manner prescribed by the rules for the convening of a special general meeting of members in pursuance of a resolution of the directors for such date as they may determine not being later than three months after the receipt at the principal office of the Institution of such requisition. For the purposes of this provision the amount of a policy for securing the payment of an annuity shall be the amount of the money consideration paid in respect thereof and the amount of a policy other than a policy for securing the payment of an annuity shall be the amount of the moneys thereunder assured exclusive of all additions thereto by way of bonus:

(2) A copy of the alterations recommended by the directors or (as the case may be) by the persons making the requisition shall be sent by the directors secretary or actuary by post to the members of the Institution



at their respective latest addresses contained in the records of the Institution two weeks at least before the day appointed for holding the meeting at which such alterations are to be considered. The accidental failure or omission to send such copy to any member of the Institution or to send it to him at his latest address shall not invalidate the proceedings had at such meeting.

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**34.** In all cases wherein it may be necessary for any person to serve any notice writ or other legal process on the Institution in any action or proceeding which may be instituted or raised against the Institution or to which the Institution is a party service thereof respectively on the secretary or actuary either personally or by leaving the same at the principal office of the Institution shall be deemed good service of the same on the Institution.

Service of  
process &c.  
on Institu-  
tion.

**35.** Any affidavit affirmation statutory or other declaration or other similar document required from or by the Institution may be made and verified by any director of the Institution for and on behalf of the Institution or by the secretary or actuary or any person in the employment of the Institution authorised in that behalf by the directors.

Affidavits  
&c. on behalf  
of Institu-  
tion.

**36.**—(1) The Institution shall cause minutes of all resolutions of general meetings of the Institution and of meetings of its directors to be entered in books kept for that purpose.

Minutes of  
resolutions  
of meetings.

(2) Any such minute if purporting to be signed by the chairman of the meeting at which the resolutions were passed or by the chairman of the next succeeding meeting shall be evidence of the resolutions.

(3) Until the contrary is proved every general meeting of the Institution or meeting of directors in respect of the resolutions whereof minutes have been so made shall be deemed to have been duly held and convened and all resolutions passed thereat to have been duly passed and all appointments of directors or other officers of the Institution shall be deemed to be valid.

**37.** All acts done by any meeting of the directors or of a committee of directors or by any person as a director shall notwithstanding that it be afterwards discovered that there was

Acts of  
directors'  
meetings to  
be valid not-  
withstanding

A.D. 1915. some defect in the appointment of any such directors or persons  
defective ap- acting as aforesaid or that they or any of them were disquali-  
pointments. fied be as valid as if every such person had been duly appointed  
and was qualified to be a director.

Execution of deeds abroad. **38.** The Institution may by writing under its common seal empower any person either generally or in respect of any specified matters as its attorney to execute deeds on its behalf in any place not situate in the United Kingdom and every deed signed by such attorney on behalf of the Institution shall bind the Institution to the same extent and have the same effect as if it were under its common seal.

Saving for general Acts. **39.** Nothing in this Act shall be deemed to exempt the Institution from the provisions of the Assurance Companies Act 1909 or from the provisions of any general Act passed during the present or any future session of Parliament affecting assurance companies formed previously to the passing thereof.

Costs of Act. **40.** The costs charges and expenses preliminary to and of and incidental to preparing obtaining and passing this Act shall be paid by the Institution out of its funds.



The SCHEDULE referred to in the foregoing Act.

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RULES OF THE FRIENDS' PROVIDENT INSTITUTION.

CONSTRUCTION.

1. In the construction of these rules except where there is anything in the subject or context repugnant to such construction words defined in the Friends' Provident Institution Act 1915 shall have the meanings thereby assigned to them and words importing the singular number only shall include the plural number and words importing the plural number only shall include the singular number and words importing the masculine gender only shall include females and the word "month" shall mean calendar month and the word "person" shall include corporation or company and "financial year" shall mean the year beginning on the 21st day of November in any year and ending on the 20th day of November in the next succeeding year.

QUALIFICATION.

2.—(i) The following persons may effect assurances on their own lives or on the lives of any other persons or any other assurance granted by the Institution :—

- (a) Any person who is or has been a member of the religious Society of Friends commonly called "Quakers" :
- (b) Any person who holds or at some time has held the same religious profession or persuasion as the members of the said Society :
- (c) Any person corporation or company whom in the opinion of the directors it is desirable to admit as a member of the Institution having regard to the interests of persons qualified as above-mentioned.

(ii) The decision of the directors whether or not any person corporation or company is qualified under the preceding provisions of this rule to effect an assurance shall be conclusive.

MEETINGS OF MEMBERS OF THE INSTITUTION.

3. An annual general meeting of members shall be held once in every calendar year at such time and at such place within the United Kingdom as may be fixed by the directors Fourteen days' notice specifying the place day and hour of every such meeting and in case

A.D. 1915. of special business the general nature of that business shall be given by advertisement in two or more of the London daily newspapers and in such (if any) of the principal periodicals devoted to or published in the interests of the Society of Friends as the directors shall think expedient.

4. All business that is transacted at the annual general meeting shall be deemed special except the consideration of the accounts and balance sheets and the reports of the directors and auditors the determination of the number of directors the election of directors the confirmation in office of a director appointed to fill a casual vacancy the appointment of auditors and the fixing of the remuneration of directors and auditors.

5. A special general meeting of members may be convened in pursuance of a resolution of the directors at any time Fourteen days' notice specifying the place day and hour of such meeting and the general nature of the business to be transacted thereat shall be given by advertisement in two or more of the London daily newspapers and in such other (if any) periodicals as aforesaid as the directors may think expedient No business other than that stated in the notice convening the same shall be transacted at any such special general meeting.

6. The chairman of the directors or if there shall be no such chairman or if he shall not be present within five minutes after the time appointed for holding the meeting the deputy chairman of directors shall be entitled to take the chair at every general meeting or if there be no chairman or deputy chairman or if at any such meeting neither of them shall be present within such time the members present shall choose another director as chairman or if no director be present or if all the directors present decline to take the chair then the members present shall choose one of their number to be chairman.

7. The chairman of any general meeting may with the consent of the meeting adjourn the same from time to time but no business shall be transacted at any such adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place It shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

#### VOTING POWERS AND POLL.

8. At any general meeting of the members a resolution put to the vote of the meeting shall be decided on a show of hands unless before or on the declaration of the result of a show of hands a poll is demanded as hereinafter provided and unless a poll is so demanded



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a declaration by the chairman that any resolution has been carried or has been carried by a particular majority or negatived or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution.

9. In any case in which the majority of the directors present shall be of opinion that it is desirable that any specified question shall be submitted to a poll of the members and shall demand a poll or in which twenty-five or more members present at a general meeting of the members and entitled to vote on a poll in respect of policies of an aggregate amount of not less than fifty thousand pounds (such aggregate amount to be ascertained as hereinafter provided in relation to votes on a poll) shall at the meeting demand in writing a poll on any question arising at the meeting (but in no other case) a poll of the members shall be taken in manner hereinafter provided. The declaration by the chairman that a poll has or has not been duly demanded shall be conclusive evidence of the fact without further proof.

10. The demand for a poll shall not prevent the continuance of a meeting for the transaction of business other than the matter on which a poll has been demanded.

11. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith in such manner as the chairman of the meeting shall direct. A poll demanded on any other question shall be taken by the issue of voting papers to the members and the subsequent collection and scrutiny thereof provided that in taking a poll it shall not be necessary to send voting papers to members other than those who for the time being have a registered address within the United Kingdom. Such voting papers shall be in such form and shall be issued in such manner and at such time (not being less than three days after the meeting whereat the poll was demanded) and such collection and scrutiny shall take place in such manner as the chairman of the meeting shall direct. The accidental omission to send a voting paper to any member shall not invalidate the poll. The result of a poll shall be deemed to be the resolution of the meeting whereat the poll was demanded.

12. In case of equality of votes whether on a show of hands or on a poll the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote in addition to the vote or votes (if any) to which he is otherwise entitled.

13. On a show of hands every member present in person shall be entitled to one vote.

14.—(a) On a poll the number of votes to which a member shall be entitled shall be determined by the amount of the policy or the

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A.D. 1915. total amount of the several policies in respect whereof he is a member in accordance with the following table:—

Amount of Policy or total Amount of Policies.	Number of Votes.
£1,000 or under - - - - -	One.
Over £1,000 and not exceeding £2,000 - - - - -	Two.
Over £2,000 and not exceeding £3,000 - - - - -	Three.
Over £3,000 and not exceeding £4,000 - - - - -	Four.
Over £4,000 and not exceeding £5,000 - - - - -	Five.
Over £5,000 and not exceeding £6,000 - - - - -	Six.
Over £6,000 and not exceeding £7,000 - - - - -	Seven.
Over £7,000 and not exceeding £8,000 - - - - -	Eight.
Over £8,000 and not exceeding £9,000 - - - - -	Nine.
Over £9,000 - - - - -	Ten.

(b) For the purposes of this rule the amount of a policy for securing the payment of an annuity shall be the amount of the money consideration paid in respect thereof and the amount of a policy other than a policy for securing the payment of an annuity shall be the amount of the moneys thereunder assured exclusive of all additions thereto by way of bonus.

15. A member who is a minor and not over sixteen years of age shall on a show of hands or on a poll vote by his parent or guardian.

DIRECTORS.

16. Vacancies in the board of directors occurring by death or by vacation of office otherwise than by retirement in rotation shall not be filled up until the number of the directors becomes reduced to less than twelve and thereafter the number shall be twelve or such smaller number if any not being less than nine as may from time to time be determined by the members in annual general meeting.

17. No person shall be eligible for election as a director unless he be a member of the Institution a male of full age and a member of the said Society of Friends.

18. The present directors of the old Institution shall hold office as directors of the Institution subject to the provisions herein contained.

19. The office of director shall be vacated if the director—

- (a) Cease to be a member of the Institution and shall not have become again a member of the Institution within two months of such cesser;
- (b) Be or become lunatic or of unsound mind;
- (c) Have a receiving order made against him or become a bankrupt or compound or make an arrangement with his creditors;



- (d) Be absent from the meetings of the directors for six consecutive months without express permission given by the directors;
- (e) Shall in writing resign his office and the directors shall pass a resolution that he has thereby vacated his office;
- (f) Be requested to resign by a vote of three fourths of all his co-directors.

The directors shall have power conclusively to decide whether a director has or has not vacated his office under the above conditions.

20. At each annual general meeting of the members three directors (inclusive of any director appointed to fill a casual vacancy in the place of a director who if such vacancy had not occurred would in default of agreement have retired in rotation at such meeting but exclusive of any other director retiring by reason of his having been appointed to fill a casual vacancy and his appointment not having been confirmed at such meeting) shall retire from office. The directors to retire shall in default of agreement between them be those who have been longest in office or shall if necessary be selected by ballot from amongst those who have been longest in office. For the purposes of this rule the period of a director's term of office shall be computed from the date of his last preceding election as a director of the old Institution or of the Institution as the case may be.

21. A retiring director shall be eligible for re-election and shall for all the purposes of the annual general meeting at which he retires be considered to continue in office until the conclusion of such meeting.

22. No person other than a retiring director shall be eligible for election as a director unless notice in writing of the intention to propose him for the office of director specifying his name address and occupation (if any) shall have been given by some member to the secretary at the principal office of the Institution at least one month before the date of the annual general meeting.

23. The directors may act notwithstanding any vacancy or vacancies in their body.

24. Subject to the provisions of these rules as to the number of directors any casual vacancy occurring among the directors may be filled up at a meeting of directors. The person so chosen shall retire from office at the annual general meeting next following his appointment unless his appointment be confirmed at such meeting. If his appointment be so confirmed he shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he was appointed was last elected a director. Provided that a director appointed under this rule in place of a

A.D. 1915. — director himself appointed under this rule to fill a casual vacancy shall be taken to have been appointed in place of the director in respect of whom the original casual vacancy arose. If the appointment of the person so chosen shall not be confirmed at such meeting and the vacancy thereby arising be not filled up at such meeting the casual vacancy which such person was appointed to fill shall be deemed to have again occurred immediately after such meeting and the powers and provisions of this rule shall be exerciseable and applicable accordingly.

25. The directors shall be entitled to receive as remuneration for their services in each year the sum of £2,000 or such other sum as may from time to time be voted at the annual general meeting of the members as their remuneration for that year and such remuneration shall be divided among them as the directors may determine or in default of determination equally. The directors shall also be paid their travelling and incidental expenses in connection with the business of the Institution. If any director shall be called upon to perform extra services for any of the purposes of the Institution the Institution shall pay to such director such special reasonable remuneration as may be determined by the directors in addition to his share in the remuneration above provided.

#### POWERS AND DUTIES OF DIRECTORS.

26. The management of the business and affairs of the Institution (including therein the management of the property of the Institution) shall be vested in the directors and the directors in addition to the powers and authorities by the laws of the Institution expressly conferred upon them may exercise all such powers and do all such acts and things as may be exercised or done by the Institution and are not hereby or by statute required to be exercised or done by the members at a meeting of the Institution but subject nevertheless to the provisions of any Act of Parliament and of the rules of the Institution for the time being in force provided that no rule shall invalidate any acts of the directors done before such rule was made which would have been valid if such rule had not been made.

27. The directors in addition and without prejudice to any general and particular powers given by the laws of the Institution and by these rules shall also have the following powers:—

- (a) To make alter and repeal from time to time such regulations and byelaws for their own guidance in the management of the affairs of the Institution as they may think fit so that such regulations and byelaws be not inconsistent with the laws of the Institution or the rules:



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- (b) To direct and control the accumulation and investment of the funds of the Institution as provided by the rules:
- (c) To accept on such terms and conditions as they think fit or to refuse proposals for any assurance or re-assurance which the Institution may be empowered to grant:
- (d) To re-assure the whole or such part of any of the risks of the Institution as the directors may think fit:
- (e) To call for such evidence as they may deem necessary of all claims against the funds of the Institution and upon their being satisfied of the justice of such claims to direct the payment thereof:
- (f) To appoint or remove trustees and officers (other than the auditors appointed by the members under the rules) as they may consider necessary for the management of the business and the superintendence and management of the funds assets and effects of the Institution and to fix assign and alter their duties salaries and remunerations:
- (g) To grant pensions and allowances out of the moneys of the Institution and to continue so far as they shall think fit any pensions which were paid by the old Institution and to establish and support or aid in the establishment and support of funds trusts and schemes for providing superannuation allowances and grants to old infirm or retiring officers or servants of the Institution or calculated to benefit employees or ex-employees of the Institution or dependents or connections of such persons and to subscribe out of the moneys of the Institution to such trusts funds and schemes:
- (h) To execute powers of attorney conferring such powers being within the powers of the directors and not inconsistent with the laws of the Institution or the rules as they may think fit and to revoke the same:
- (i) To make ex gratia payments of such amount as they think fit in the case of any policy which has been forfeited or become void from any cause:
- (j) From time to time at their discretion to raise or borrow or secure the payment or repayment of any sum or sums of money temporarily for the purposes of the Institution with or without interest thereon or any premium in such manner and upon such terms and conditions in all respects as they think fit:
- (k) To do all such other things as are incidental or conducive to the management of or the carrying on of the business or affairs of the Institution.

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28. No director shall be disqualified by his office from contracting with the Institution either as vendor purchaser policy holder borrower or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Institution in which any director shall be in any way interested be avoided nor shall any director so contracting or being interested be liable to account to the Institution for any profit realised by any such contract or arrangement by reason of such director holding that office or the fiduciary relation thereby established.

If any such contract or arrangement (except a contract or arrangement relating to the issue of a policy or to the making of a loan upon a policy of the Institution for an amount not exceeding the surrender value thereof or to the investment of any part of the funds of the Institution) shall be determined upon at a meeting of directors or of a committee of directors of which the director in question is a member such director shall so soon as is reasonably practicable disclose the nature of his interest therein to the directors or to such committee.

A general notice that a director is a member of any specified firm or company and is to be regarded as interested in any such firm or company shall be sufficient disclosure under this rule and after such general notice it shall not be necessary to give any special notice relating to any particular transaction with such firm or company. No director shall as a director or member of a committee of directors vote in respect of any contract or arrangement (except as aforesaid) in which he is so interested as aforesaid and if he do so vote his vote shall not be counted.

29. The directors shall cause minutes to be made in books provided for the purpose—

- (a) Of all appointments of officers made by the directors :
- (b) Of the names of the directors present at each meeting of the directors and of any committee of the directors :
- (c) Of all resolutions at all meetings of the Institution and of the directors and of committees of directors.

#### MEETINGS OF DIRECTORS.

30. Meetings of the directors shall be held for the transaction of the business of the Institution at such times as the directors may decide and such meetings shall be styled ordinary board meetings. The secretary shall at any time summon a special meeting of directors on the requisition in writing of any three directors stating the purposes for which such special meeting is required and meetings so summoned shall be styled special board meetings. At least two clear days' notice shall be given of any such special board meeting stating the purposes



for which such meeting is required and unless the notice shall otherwise state no business shall be transacted at such meeting except the business specified in such notice.

31. The directors may adjourn and otherwise regulate their meetings as they shall think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the chairman shall have a second or casting vote.

32. The quorum necessary for the transaction of business at an ordinary board meeting may be fixed by the directors and unless so fixed shall be five. The quorum necessary for the transaction of business at a special board meeting shall be seven.

33. In case a sufficient number of directors to form a quorum shall not be present at any board meeting within half an hour from the time appointed for that meeting the meeting if convened upon the requisition of directors shall stand dissolved. In any other case the directors present or if none be present then the secretary or any other officer of the Institution for the time being shall have power to adjourn the meeting to some convenient day which adjournment being entered in the book of proceedings and signed by the directors or director secretary or other officer adjourning the meeting shall be deemed a full and sufficient continuance of such meeting.

34. The directors may elect a chairman and deputy chairman of their meetings to act as such until the conclusion of the next annual general meeting of the members. The directors may by a resolution in favour of which not less than three fourths of the whole number of directors shall vote remove the chairman or deputy chairman from his office. Any vacancy occurring in the office of chairman or deputy chairman before such next annual general meeting of members may be filled up by the directors. The present chairman and deputy chairman of the directors of the old Institution shall continue in and hold office as chairman and deputy chairman respectively of the directors of the Institution until the conclusion of the annual general meeting of the members next after the date when the Friends' Provident Institution Act 1915 came into force.

35. If at any meeting of the directors the chairman be not present within five minutes after the time appointed for holding the meeting the deputy chairman shall take the chair and if neither of them be present within such time the directors present may choose one of their number to be chairman of the meeting.

36. The directors may delegate any of their powers to committees consisting of such member or members of their 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.

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37. A committee may elect a chairman of their meetings if no such chairman be elected or if at any meeting the chairman is 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 that meeting.

38. 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 shall have a second or casting vote.

39. All ordinary or special meetings of the directors shall be held at the principal office of the Institution or at such other place as the chairman of the directors may determine.

#### ACCOUNTS.

40. The directors shall cause true accounts to be kept—

(a) of all sums of money received and expended by the Institution and the matters in respect of which such receipt or expenditure takes place ;

(b) of the assets and liabilities of the Institution.

41. At every annual general meeting of the members of the Institution the directors shall lay before such meeting a revenue account for the immediately preceding financial year and a balance sheet made up to the end of such year and shall present to the members at such meeting a report by the directors on the business and affairs of the Institution The said revenue account balance sheet and report shall be printed and every member shall be entitled upon application to receive a copy thereof.

#### AUDITORS.

42. An auditor or auditors shall be appointed by the members at each annual general meeting to hold office until the next annual general meeting The retiring auditors shall be eligible for re-appointment but no person other than a retiring auditor shall be eligible for appointment as auditor unless notice in writing of the intention to propose him for the office shall have been given by some member to the secretary at the principal place of business of the Institution at least one month before the date of the annual general meeting.

43. The directors may fill any casual vacancy in the office of auditor but while any such vacancy continues the surviving or continuing auditor (if any) may act.

44. It shall be the duty of the auditors (in addition to any duties imposed upon them by statute) to examine from time to time the accounts of the Institution and the revenue account and the balance



sheet and attest the same as such auditors previously to the same being presented at the annual general meeting of members. It shall also be the duty of the auditors at least once in each financial year to inspect the title deeds and other documents held by the Institution as security for the investments of the Institution and to certify accordingly.

#### PAYMENT OF PREMIUMS.

45. Every premium for assurance shall be paid within one month of the day on which it becomes due if it be not so paid the assurance shall be void unless the policy have a surrender value. If the policy have a surrender value the premium will be received if tendered at any time during the following twelve months (even if the policy shall have become a claim) on payment of the same with the addition of a fine thereon at the rate of five per centum per annum from the date when the premium became due. In calculating the amount of the fine fractions of a month shall be counted as a whole month and the minimum amount of the fine shall be one shilling.

46. An unrenewed policy which has not a surrender value may be re-instated during the period of twelve months following its lapse on payment of the premium in arrear together with a fine at the rate hereinbefore mentioned and on the production of such evidence (if any) of good health as the directors may require.

47. Every policy the premium on which remains unpaid at the expiration of thirteen months from the day on which it fell due shall thereupon be void but its surrender value (if any) after deducting the overdue premiums and fines shall be payable.

#### PAYMENT OF CLAIMS.

48. All moneys and every annuity which may become due and payable in accordance with the terms of any policy shall be immediately payable at the principal office of the Institution upon but not before the receipt of such certificates of age and such proofs of the happening of the contingency or event on the happening of which the same was to become payable and such documents in proof of title as shall be required and accepted as satisfactory by the directors. Provided that—

(i) Every policy of assurance shall be forfeited and become void if the person upon whose death the assurance is payable shall die within three years after the date of the policy in any of the following circumstances:—

(a) Being on the high seas as a mariner unless licence shall have been obtained from the directors and such additional premium (if any) paid as the directors shall require;

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(b) When residing or travelling by land in any part of either of the continents of Asia and South America or in any other part of the globe lying between the 35th degree of north latitude and the 27th degree of south latitude (other than Australia or a British colony in South Africa) unless with such licence and on payment of such additional premium (if any) as the directors shall require :

(ii) If at any time any person on whose life a policy has been granted shall enter the British or any other army navy or auxiliary forces and engage in service outside the limits of the United Kingdom he shall be liable to pay such extra premium (if any) as the directors may require and if he shall die whilst engaging in or as a direct consequence of engaging in such service without such extra premium (if any) as aforesaid having been paid the policy shall be void and its surrender value only will be payable :

(iii) If the life assured shall die in any of the circumstances mentioned in the preceding parts of the proviso to this rule the rights of any assignee for value or other bona fide holder for value of a policy shall not be prejudiced nor limited to the amount of the surrender value of the policy on condition however that payment be made of such extra premium (if any) as the directors shall require and provided that prior to the death due notice of such rights shall have been given to the secretary.

Subject as above mentioned every assurance shall after it has been in force for three years be free from all limitations as to foreign travel place of abode occupation or cause of death Whenever any assurance shall become void as aforesaid after having acquired a surrender value then the surrender value of the assurance on the day before it became void shall be paid in such manner as the sum assured would have been paid had the assurance not become void as aforesaid.

#### INVESTMENTS.

49. The moneys of the Institution may be invested by the directors in any of the following ways (that is to say):—

(i) In the purchase or upon the security of—

(a) Any stocks funds or securities which are now or may hereafter be authorised by the law relating to trustees in England as investments for trust funds ;



(b) Any freehold lands or hereditaments in the United Kingdom or India or any British dominion colony dependency state or province or any estate or interest therein ;

(c) The stocks funds bonds or other securities of or guaranteed by the Government of the United Kingdom or India or any British dominion colony dependency state or province ;

(d) The stocks funds bonds debentures debenture stock mortgages annuities or other securities of any county municipality city or town corporation public commissioners board or other public body or local authority in the United Kingdom or India or any British dominion colony dependency state or province for the time being legally empowered to borrow or raise money ;

(e) The debentures debenture stock mortgages or bonds or the guaranteed stock or shares of any railway water canal dock gas electric or other lighting company trust or corporation in the United Kingdom established by Royal Charter or Special Act of Parliament ;

(f) Any assurance of the Institution or of any life assurance office and whether or not to an amount in excess of the then present value thereof provided that if the transaction be a loan of an amount in excess of such value the premiums on such assurance and the interest on the loan be collaterally secured by or upon some of the other securities in this rule mentioned to such an amount as the directors may consider adequate ;

(g) Any vested contingent reversionary or other estate or interest in securities or investments which the Institution is hereinbefore authorised to hold or any such estate or interest in any sum or sums of money secured upon any such securities or investments ;

(h) Any investment or other property or asset whether in the United Kingdom or elsewhere not falling within any of the descriptions aforesaid provided the same be approved by not less than seven or three fourths of the directors present at the meeting of the directors at which it shall be proposed (whichever shall be the greater number) :

- (ii) On the security of any rates duties or assessments of any person (which word includes a body politic corporate or collegiate) or county municipal or other corporation • commissioners board or other public body or local authority

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or company in the United Kingdom or India or any British dominion colony dependency state or province:

- (iii) On deposit on such terms as the directors may think proper and whether temporarily or for any length of time with any bank banker discount house firm or company carrying on business within the United Kingdom and authorised to take money on deposit:

Provided always that—

- (a) In making any investment purchase mortgage or loan the directors shall be free to accept or dispense with certificates of value and to advance such proportion of the value of securities and generally to act as they may consider it safe and prudent to do in the best interests of the Institution;
- (b) Nothing hereinbefore contained shall be held to empower the directors to invest any part of the funds of the Institution in the purchase of or on the security of any stocks shares or securities the ownership of which would involve the Institution in any liability for calls contributions or investments except allotment moneys and except calls contributions or investments made or determined prior to such investment and payable at specified fixed dates; and
- (c) Should any part of the property or rights of any society association or company be purchased acquired or taken over by the Institution or the Institution be amalgamated with any other society association or company the directors shall notwithstanding anything hereinbefore contained have power to retain and hold any stocks securities properties or investments in which the society association or company any part of whose property shall be so purchased acquired or taken over or with which the Institution shall be amalgamated shall have its funds invested at the time such purchase acquisition or taking over or amalgamation is made.

50. The directors shall have power from time to time to vary or transpose any of the stocks funds shares securities and investments hereinbefore mentioned in their discretion.

#### VALUATION OF ASSETS AND LIABILITIES AND DISTRIBUTION OF SURPLUS.

51. As on the twentieth day of November one thousand nine hundred and seventeen and subsequently at the end of every five years or such shorter period as the directors may think fit and



expedient a careful valuation shall be made by the directors of all the assets and liabilities of the Institution and if at those times respectively it shall appear that the aggregate of the assets is more than sufficient to discharge or provide for the aggregate of the liabilities of the Institution it shall then be lawful for a special meeting of the directors to declare a dividend of the surplus or of such part thereof as may by them be deemed fit and expedient and to dispose of the same by allotment as bonuses in fair and equitable shares to such of the policies as shall be in force at the date as on which the valuation is made and as shall be expressed to be with participation in profits respectively in accordance with the following powers conditions and regulations:—

- (a) Every holder of a whole life assurance or endowment assurance which is expressed to be with participation in profits shall be entitled on the occasion of every division of surplus to the option of having his share thereof appropriated to increase the sum assured or applied to reduce the amount of the periodical premium in respect of such policy for any period or paid to him in cash or applied in any other manner which the directors may approve. In case any policy holder shall not communicate in writing to the secretary exercising his option as aforesaid within one month next after such division shall be declared then the appropriation of his share of such surplus shall be at the option of the directors:
- (b) Every holder of a policy (other than those referred to in the foregoing paragraph (a)) which is expressed to be with participation in profits shall in the event of the declaration of a dividend thereon be entitled to receive his share in such form as may be decided by the directors:
- (c) An apportionment of profits may be made to and in respect of any policies which expire during the interval between two divisions of surplus at such time and at such rate as shall appear to the directors to be reasonable and equitable:
- (d) No such division or distribution of surplus as aforesaid shall be made unless and until it shall have been certified by the actuary that according to the most correct calculation of which the case will admit the interests of all members or persons claiming under them are by the proposed scheme of division or distribution fairly dealt with and secured:
- (e) Every decision of the directors as to the application of any such surplus as aforesaid or on any other matter or thing under this rule shall be final and conclusive.

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SEAL.

52. The directors shall forthwith obtain a seal which shall be the common seal of the Institution and they shall provide for its safe custody and the seal shall never be used except by the authority of the directors or a committee of the directors and in the presence of two directors at least who shall sign every instrument to which the seal shall be affixed and every such instrument shall be countersigned by the secretary or actuary or any such person in the employment of the Institution as the directors may from time to time authorise in that behalf but it shall not be necessary that the seal shall be affixed at a board meeting.

ARBITRATION.

53. Every matter in dispute between the Institution or any officer or person acting under or on behalf of the Institution and any member or any person claiming through any member shall be referred to arbitration under the Arbitration Act 1889 or any statutory modification thereof.

NOTICES.

54. Any notice or other document which may by the laws of the Institution or any statutory provision for the time being applicable to the Institution or these rules be required to be sent to any member or any person claiming under him may be addressed and sent by pre-paid letter posted in the ordinary course of post to such member at his registered address (if any) in the United Kingdom and any notice so addressed and sent shall (whether the member shall be living or not) be deemed and taken to be notice to such member and (subject to the provisions of the Assurance Companies Act 1909 or other the Public Acts for the time being applicable to the Institution) every person for the time being interested in every assurance of such member. Where the registered address of any member is in the United Kingdom any such letter shall unless the contrary is proved be deemed to have been received by the member to whom the same was addressed at the time at which the letter would be delivered in the ordinary course of post but it shall not be necessary for the Institution to send any such notice or other document as aforesaid to any member who shall not for the time being have a registered address in the United Kingdom.

55. The registered address of a member shall be the latest address of such member which is contained in the records of the Institution as the address of such member.



NOMINATIONS.

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56. Nothing contained in these rules shall prejudice or affect the operation or effect of nominations or assignments made or to be made pursuant to the rules of the old Institution and the Institution shall in regard to all matters relating to such operation or effect have the benefit of all material provisions of the rules of the old Institution as they stood immediately before the date when the Friends' Provident Institution Act 1915 came into force.

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