

Scottish Widows' Fund and Life Assurance Society Act 1980

CHAPTER xxxv

LONDON
HER MAJESTY'S STATIONERY OFFICE

Scottish Widows' Fund and Life Assurance Society Act 1980

CHAPTER xxxv

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SCHEDULE—Regulations of Scottish Widows' Fund and Life Assurance Society.

ELIZABETH II

1980 CHAPTER xxxv

An Act to repeal The Scottish Widows' Fund and Life Assurance Society's Act 1926; to make further provision for the regulation and management of the Society; and for other purposes. [8th August 1980]

WHEREAS—

(1) The Scottish Widows' Fund and Life Assurance Society (in this Preamble called "the Society") was formed at Edinburgh in the year one thousand eight hundred and fourteen upon the principal of mutual assurance by and for the purposes mentioned in the deed of constitution and articles and regulations of the Society bearing date the twenty-ninth day of July one thousand eight hundred and fourteen and subsequent days and recorded in the Books of Council and Session in Scotland on the fourth day of October in the same year:

(2) By an Act of Parliament passed in the year one thousand eight hundred and forty and intituled "An Act to enable the Scottish Widows Fund and Life Assurance Society to sue and 1840 c. xli.

be sued; and for other Purposes relating to the said Society" (hereinafter called "the Act of 1840") the Society was authorised to take and hold property in the names of trustees and to sue and be sued and various other provisions were thereby made for facilitating the general management of the affairs of the Society:

1861 c. lxxxv.

(3) By The Scottish Widows Fund and Life Assurance Society's Incorporation Act 1861 (hereinafter called "the Act of 1861") the Society was incorporated and empowered to carry on business according to the said deed of constitution and articles and regulations subject to the conditions and declarations and with the powers and privileges in that Act set forth and the Act of 1840 was repealed:

1882 c. lxxv.

(4) By the Scottish Widows' Fund and Life Assurance Society's Act 1882 (hereinafter called "the Act of 1882") the said deed of constitution and articles and regulations were superseded by the provisions of the Act of 1882 and of the Act of 1861 as amended by the Act of 1882 together with the articles and regulations set forth in the Schedule to the Act of 1882 and certain provisions of the Act of 1861 were repealed:

(5) By the following Acts and Orders, namely:—

1883 c. xxii. the Scottish Widows' Fund and Life Assurance Society's Act 1883;

1891 c. vii. the Scottish Widows Fund and Life Assurance Society's Act 1891;

1900 c. vii. the Scottish Widows' Fund and Life Assurance Society's Act 1900;

1919 c. xcix. the Scottish Widows' Fund and Life Assurance Society's Order 1919;

1922 c. iii (13 Geo. 5. Sess. 2). the Scottish Widows' Fund and Life Assurance Society's Order 1922;

further powers were conferred upon the Society and further provisions were made with respect to the affairs of the Society:

1926 c. lxxviii.

(6) By the Scottish Widows' Fund and Life Assurance Society's Act 1926 (hereinafter called "the Act of 1926") the constitution, Acts and regulations of the Society were consolidated and amended and further powers were conferred upon the Society and the directors thereof and further and better provision was made for the regulation of the Society's affairs and the said deed of constitution and articles and regulations of the Society bearing

date the twenty-ninth day of July one thousand eight hundred and fourteen and the Scottish Widows' Fund and Life Assurance Society's Acts 1861 to 1922 and all byelaws, articles, regulations and ordinances made in pursuance of the said deed or the said Acts were repealed and cancelled:

(7) The regulations set forth in the Schedule to the Act of 1926 have been altered from time to time in accordance with the powers in that Act contained:

(8) It is expedient in order to enable the Society to carry on its business to the best advantage and to regulate the management of its affairs in accordance with present-day requirements and practice that the Act of 1926 should be repealed and that further and better provision should be made for the regulation and management of the Society:

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

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

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

1. This Act may be cited as the Scottish Widows' Fund and Life Assurance Society Act 1980. Short title.

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

" assurance " means such contract as hereinafter mentioned;

" chief executive ", " member ", and " secretary " shall bear the meanings assigned to those words by the regulations;

"directors" means the directors of the Society;

" policy " means the instrument evidencing a contract by the Society for the payment of any money on the happening of any contingency or event whether dependent on or connected with human life or not or for the payment of any annuity whether for a fixed term of years or dependent upon human life or health or physical condition and shall include all policies of assurance or bonds of annuity

granted by the Society prior to or subsequent to the passing of this Act;

" the regulations " means the regulations set out in the Schedule to this Act as so set out or as altered or added to in accordance with this Act from time to time;

" the Society " means Scottish Widows' Fund and Life Assurance Society;

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

Repeal.

3. Subject to the provisions of this Act the Act of 1926 and all regulations made in pursuance of the said Act are hereby repealed and cancelled without prejudice to anything done or suffered thereunder, and in particular so that all assurances, policies, contracts, agreements, awards, conveyances, deeds, guarantees, bonds, indemnities, instructions and other instruments or undertakings entered into by or made with or addressed to the Society before the passing of this Act and which were in force immediately before the passing of this Act shall continue in effect thereafter and shall be enforceable by and against the Society to the same extent as if this Act had not been passed.

Name of Society.

4.—(1) On the passing of this Act the name of the Society shall be Scottish Widows' Fund and Life Assurance Society.

(2) The Society may from time to time with the sanction of a special resolution as defined by this Act and with the consent of the Secretary of State for Trade change its name but no such change of name shall be effective until it is advertised in the Edinburgh Gazette and the London Gazette.

(3) No change of name by the Society shall affect any of its pre-existing rights or obligations or render defective any legal proceedings instituted by or against it; and any legal proceedings may be continued or commenced by or against the Society by its new name that might have been continued or commenced by or against the Society by its former name.

Corporate status of Society.

5.—(1) Notwithstanding the provisions of section 3 (Repeal) of this Act, the Society shall continue to be incorporated by its name for the time being, with perpetual succession and a common seal, and shall have power to sue and be sued by such name as aforesaid.

(2) Subject to the provisions of this Act and of the regulations the members existing immediately before the passing of this Act

shall continue to be members and the Society shall continue to hold and be entitled to enjoy and recover all property of every description (including things in action) which immediately before the passing of this Act belonged to or was vested in the Society, or to which the Society was then entitled.

Continuance of present directors, officers, etc., in office.

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

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

Principal office and local head offices.

7. The principal office of the Society shall be in Scotland or such other territory as shall be determined from time to time by the directors. The directors may from time to time designate a local head office in respect of any territory outside that in which the principal office is for the time being situated.

Policies to be liable for claims of Society against members.

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

Execution of assignations, etc., of policies.

9. All assignations, discharges and other documents relating to any policy shall be deemed to be validly and sufficiently executed if executed according to the mode usual in Scotland or in England or in the territory where they are executed.

Service of writs and notices on Society.

10. Any summons or notice, or any writ or other proceedings requiring to be served on or intimated to the Society in any action, suit or process which may be raised or instituted against the Society, may without prejudice to any other mode of service for the time being permitted or required by law be served by being given personally to the chief executive or secretary of the Society, or by being left at, or sent by registered post to, the principal office of the Society or, if the service relates to policies or other engagements entered into with parties described as of any place in a territory in respect of which a local head office has been designated by the directors, at or to that local head office.

Liability of members.

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

Surrender, forfeiture, alteration, etc., of policies.

12.—(1) The person in whom any policy is legally vested, whether such person is beneficially entitled thereto or holds the same as mortgagee of, or as a trustee for, any other person, may (unless he is expressly prohibited from doing so by the terms of the policy or unless being a mortgagee or trustee he is to the knowledge of the Society expressly prohibited from doing so by the terms of his mortgage or trust) surrender in whole or in part to the Society the benefit of such policy, including any bonus additions thereto or any such bonus additions separately, either for a cash payment or in consideration of the policy being converted into a paid-up policy for a reduced amount, or in exchange for any paid-up or other policy to be substituted for the original policy or (where any such bonus addition is separately surrendered) in consideration of a permanent reduction in the premium on the policy 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 policy

and bonus additions as may be agreed between such person and the directors and if any policy is legally vested in the Society as mortgagee or is charged to the Society by way of lien, deposit or otherwise, the Society may surrender such policy to itself, giving credit or otherwise accounting for its surrender value or may so long as the Society shall see fit keep the policy in force charging it with the amount of the premiums or other sums required for that purpose.

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

(3) The directors shall have power to declare that any policy has been forfeited or the assurance thereunder has become void and of no effect in accordance with the conditions of the policy or otherwise and to determine the conditions governing such forfeiture or voidance, and the conditions under which a policy which shall have become forfeit from non-payment of premiums or from any other cause may be revived or maintained in force.

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

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

Regulations of Society.

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

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

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

(4) Notwithstanding subsections (1) and (2) of this section the provisions of the Companies Acts 1948 to 1980 applicable to the Society in accordance with section 435 of the Companies Act 1948 shall apply to the Society.

1948 c. 38.

Special resolution.

14. For the purposes of this Act and of the regulations a special resolution is a resolution of the Society passed by a majority of not less than three-fourths in number of the votes cast at a general meeting duly called in the manner required by the regulations.

Representative in case of bankruptcy, etc.

15. In the event of any person against whom the Society shall have any claim or demand becoming bankrupt or of his estate being sequestrated or in course of liquidation or in the event of such person being desirous of effecting an arrangement with his creditors by means of a trust or by way of composition or otherwise it shall be lawful for the directors to appoint any agent or other person to represent the Society in all matters and proceedings relating thereto and to prove any debt owing to the Society by any such person and to make any claim, demand, affidavit or declaration which may be necessary for that purpose and to vote and otherwise act for and on behalf of the Society at all meetings of creditors of such person and otherwise in all respects as if such claim or demand were the claim or demand of the agent or person so appointed to represent the Society and a copy of the resolution or document appointing such agent or person certified to be a true copy by a director or the chief executive or the secretary shall be conclusive evidence of the authority of such agent or person to represent the Society.

Effect of assignation to Society of its own policies.

16. No assignation to the Society whether dated before or after the passing of this Act by way of security for money borrowed of any policy granted by the Society shall be deemed to extinguish any obligation of the Society for payment of the sums assured under such policy but the said policy and any such assignation thereof shall during the periods for which they are respectively granted have according to their respective terms full force and effect.

Surplus assets on dissolution.

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

Provided that if the whole or any part or parts of such surplus is attributable to any separate fund or funds established in accordance

with the regulations, this section shall apply as if the surplus or part or parts thereof had been declared to be distributable in relation to the respective separate fund or funds in question.

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

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

General Acts to apply. 1974 c. 49.

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

Saving for powers of Treasury. 1946 c. 58.

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

1947 c. 14.

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

Costs of Act.

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

Section 13.

SCHEDULE

REGULATIONS OF SCOTTISH WIDOWS' FUND AND LIFE ASSURANCE SOCIETY

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INTERPRETATION

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Definitions.

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

"actuary" means any person appointed by the directors as actuary to the Society for the purposes of the Insurance Companies Act 1974 and in relation to a separate fund in respect of business in a territory or territories outside the United Kingdom shall include any person appointed by the directors as actuary or as a temporary or assistant actuary of that fund; 1974 c. 49.

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

"corporation" includes any body of persons, corporate or unincorporated;

"member" means a person who is a member of the Society under regulations 5 to 9 hereof;

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

"the Society's Act" means the Scottish Widows' Fund and Life Assurance Society Act 1980.

The Interpretation Act 1978 shall apply for the interpretation of the regulations as it applies for the interpretation of an Act of Parliament. 1978 c. 30.

Unless the subject or context otherwise requires words or expressions defined in the Society's Act, unless otherwise expressly defined by this regulation, shall have the same meaning in the regulations.

OBJECTS

Objects of Society.

2. The objects of the Society are—

(1) to grant assurances of all kinds with or without the right to participate in the surplus or profits of the Society for the payment of money in the form of a single payment or several payments or in the form of immediate or deferred annuities or otherwise, upon the happening of any contingency involving human life, health or physical condition or upon the expiry of any fixed or ascertainable period or periods or upon the marriage or birth or failure of issue of any person or upon the occurrence of any contingency or event which would or might be taken to affect the interest of any person or persons in any property whether in possession, vested or contingent, expectant, prospective or otherwise, or upon the loss or recovery of contractual or testamentary capacity by any person or persons;

SCH. —*cont.*

(2) to enter into contracts for the establishment, accumulation, provision and payment of sinking funds, redemption funds, depreciation funds and any other special funds and that in consideration of a single payment or of an annual premium or otherwise and generally on such terms and conditions as may be arranged;

(3) to purchase and deal in and lend money on the security of life, reversionary and other interests in property of all kinds whether absolute or contingent or expectant and whether determinable or not and to acquire, lend money on, redeem, cancel or extinguish by purchase, surrender or otherwise any policy, annuity, security or contract issued or made or taken over or entered into by the Society;

(4) to undertake and execute trusts of all kinds and the conduct of any business connected with trusts of all kinds (including unit trusts), to undertake and execute all kinds of agency business and to undertake and execute the office of trustee, executor, administrator, curator, tutor, guardian, committee, agent, factor, liquidator, receiver, treasurer, registrar or any other office of trust or confidence or responsibility and that with or without remuneration;

(5) to act as the agent for the issue of any shares, stock, debentures, debenture stock, mortgages, bonds, bills or other securities or obligations, whether or not offered to the public for subscription, and to guarantee or underwrite the subscription of any such securities or obligations and to subscribe for any of the same conditionally or otherwise;

(6) to carry on any business or transaction whether or not similar to those before specified which in the opinion of the directors can advantageously be carried on in conjunction with or in addition to any of the foregoing business.

POWERS

Powers of Society.

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

(1) to grant all such assurances and transact all other business as aforesaid and to reassure all or any of the risks of the Society and undertake all kinds of reassurance connected with any of the business aforesaid;

(2) to hold and retain or to dispose of for the purposes of the Society all property, investments, securities or other estate or assets, heritable or moveable, real or personal, held by the Society or by others on its behalf immediately prior to the commencement of the Society's Act;

(3) to purchase, take on lease or in exchange or by way of security of any kind, hire or otherwise acquire any real or personal or heritable or moveable property and any rights or privileges which the Society may think necessary or convenient or

SCH —*cont.*

capable of being profitably dealt with in connection with any of the property, business or rights for the time being of the Society;

(4) to sell, exchange, mortgage, grant heritable securities over, charge, lease, manage, maintain, build upon, develop or otherwise improve, deal with or dispose of the land of the Society or any part thereof or any estate or interest therein or relating thereto;

(5) to sell, exchange, improve, manage, develop, enfranchise, lease, mortgage, charge, dispose of, turn to account or otherwise deal with all or any part of the property (other than land), investments, securities, assets or rights of the Society;

(6) to invest, lend out and generally deal with the moneys of the Society not immediately required;

(7) to act as managers or trustees or secretaries of or as nominees for the managers or trustees or secretaries of any superannuation fund or any pension scheme or any life assurance scheme or any permanent health insurance scheme or of any person and generally to undertake the office and duties of and to exercise powers conferred by law or by deed on trustees, executors, administrators, attorneys and the like;

(8) to provide expert advice and supervisory services on all financial matters and to act as investment consultants or managers or agents for any superannuation fund or any pension scheme or any life assurance scheme or any other fund or any person and generally for financial institutions of all kinds;

(9) to enter into arrangements with any government or authority, supreme, municipal, local or otherwise, and to obtain from any such government or authority all rights, concessions and privileges that may seem conducive to the objects of the Society or any of them;

(10) to enter into and carry into effect any contract or agreement for purchasing, acquiring or taking over all or any of the business, property, rights and liabilities of or amalgamating with or acquiring an interest in any other society, association, company or other corporation carrying on any business or undertaking within the objects of the Society or for undertaking, paying and performing all or any of the assurances and engagements of any such other society, association, company or other corporation or for selling or otherwise disposing of all or any of the business, property, rights and liabilities of the Society to any other society, association, company or other corporation;

(11) to give to any persons or any class or section of persons who are insured or insure or have other dealings with the Society, whether such persons or class or section of persons may or may not be members, any rights over or in relation to a fund or funds, or a right to participate in the profits of the Society

SCH. —*cont.*

or in the profits of any particular branch or department of its business either equally with other persons or classes or sections of persons or otherwise, or any preference in ranking or other right, privilege, advantage or benefit, and to appropriate and set apart any such fund or funds for these or other specific purposes whether by way of trust or otherwise and with or without appropriation of specific investments;

(12) to establish, maintain and subsidise non-contributory and contributory pension, insurance, death or other benefit schemes and funds and grant pensions, annuities, gratuities, donations, allowances, bonuses or any other benefits to directors or former directors, officers or former officers, employees or former employees of the Society or the relations, dependants and personal representatives of any such persons, and to establish, subsidise or support associations, companies, institutions, clubs, funds, schemes, trusts or other conveniences and contribute to any companies, trusts, associations or other bodies to secure life assurance, medical or other benefits which may be considered calculated to benefit any such persons or otherwise advance the interests of the Society or the members;

(13) to subscribe or guarantee money to or for charitable or benevolent or other useful objects whether connected with the business of the Society or otherwise but only to a maximum total sum in any one year of £10,000 or such greater amount as the directors may from time to time decide; provided always that such subscription or guarantee is considered by the directors to be in furtherance of the interests of the Society or the members;

(14) to draw, accept, endorse, discount, execute and issue bills of exchange and promissory notes and other negotiable or transferable instruments;

(15) to raise or borrow or secure the payment of money in such manner and on such terms as may seem expedient and among other modes by the issue of debentures or debenture stock whether perpetual or otherwise and whether charged or not charged upon the whole or any part of the assets, property and rights of the Society both present and future and to redeem, purchase or pay off such securities;

(16) to enter into partnership or into any arrangement for sharing profits, union of interest, joint adventure, reciprocal concession or co-operation or otherwise with any person carrying on or engaged in, or about to carry on or engage in, any business or transaction which the Society is authorised to carry on or engage in, and to take or otherwise acquire and hold shares, stock, debentures or debenture stock in or securities of and to subsidise or otherwise assist any such person, and to make and carry out arrangements for giving the Society the entire or partial control or management or benefit of the business of any such person, and to guarantee dividends on

SCH. —*cont.*

shares, stock, debentures, debenture stock, mortgages, bonds, obligations or securities of any such person;

(17) to guarantee the performance of any contract or obligation of, and the payment of money by, any person and generally to give all kinds of indemnities, guarantees, bonds and warranties;

(18) to procure the Society to be registered or recognised in any territory outside the United Kingdom, and to make any investments or deposits in such names and manner as may be required, and to comply with any conditions necessary or expedient in order to enable the Society to carry on business in any territory outside the United Kingdom, and to establish or guarantee local societies or companies or branch offices constituted or regulated under or by local laws for the purpose of carrying on any business which the Society is authorised to carry on;

(19) to form or assist in forming any society, association, trust, company or other corporation for the purpose of carrying on as principal or as agent for the Society any business which the Society is authorised to carry on, or for the purpose of acquiring the undertaking of the Society, or any part thereof, or for any other purpose whatsoever that may seem conducive to any of the interests of the Society, and to hold shares, stock, debentures, debenture stock or any other interest in any such society, association, company or other corporation, and to dispose of such shares, stock, debentures, debenture stock or interest;

(20) to allow to remain in abeyance or to discontinue from time to time any branch or part of the business of the Society;

(21) to sell the undertaking of the Society or any part thereof for such consideration as the Society may think fit and in particular for policies or for shares, stock, debentures, debenture stock or other securities of any company or other corporation having objects altogether or in part similar to those of the Society;

(22) to lend money with or without security to such persons and on such terms as may seem expedient and in particular to persons insuring or having other dealings with the Society;

(23) to accept money on deposit, at interest or otherwise;

(24) to petition Her Majesty for and to obtain any Royal Charter which the Society may consider directly or indirectly conducive to the benefit or interests of the Society;

(25) to take, make, support or oppose any proceedings or application for obtaining Provisional Orders, Acts of Parliament or

SCH. —*cont.*

other legislative acts in the United Kingdom or elsewhere which, in the opinion of the directors, may beneficially or adversely affect the Society or its members or some of them;

(26) to remunerate any persons for services rendered or to be rendered in placing or assisting to place any shares or stock or any debentures, debenture stock or other securities of the Society, or in or about the conduct of the business of the Society;

(27) to promote, subscribe to, or become a member of, or co-operate with any association, company or other corporation, having for its objects, or one of its objects, the benefit, assistance or protection of bodies carrying on any business which the Society is authorised to carry on, or otherwise calculated to benefit the Society directly or indirectly, and to undertake liabilities or give guarantees or indemnities as subscribers to or members of any such association, company or other corporation;

(28) to adopt such means of making known the business of the Society or any part thereof as may seem expedient, and in particular by advertising in the press and elsewhere, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals, by granting prizes, rewards and donations and by sponsoring events and projects;

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

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

TRUSTS

Society not to regard trusts.

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

MEMBERS

Members.

5.—(1) Subject to paragraphs (2) and (3) of this regulation, persons who were members immediately before the passing of the Society's Act and also all persons who shall become members in accordance with the regulations shall be members of the Society so long as they continue to comply with the conditions of membership prescribed by the regulations.

SCH. —*cont.*

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

(3) Paragraph (2) of this regulation shall apply notwithstanding that, immediately before the passing of the Society's Act, two or more persons were members in respect of one and the same policy.

Admission of members.

6. A person wishing to apply for membership of the Society shall submit to the directors on the form prescribed by them a proposal for assurance and such further information, declaration, consent, accession or other undertaking as the directors may require. If the proposal is accepted by the directors (who shall have power to decline it or impose special terms or conditions without assigning any reason for so doing) the applicant shall, subject to regulation 5 (2), become a member of the Society in respect of that assurance from the date of acceptance of the proposal by the directors or from the date on which the assurance comes into force on receipt by the Society of the first premium or otherwise, whichever date shall be the later.

Cessation of membership.

7. Without prejudice to the provisions of regulations 8 and 9, membership in respect of any assurance shall cease upon the occurrence of the event or contingency upon which the benefit or last of the benefits payable under the policy falls due or the occurrence of any event or contingency (including the surrender of the policy and the expiry of any period of assurance stated in the policy) upon which the assurance ceases to be in force.

Duration of membership.

8. Membership of the Society in respect of any assurance shall continue only so long as the assurance is kept in force by compliance with the conditions of the policy relative to that assurance taking into consideration any alteration of the original conditions of the policy which may be agreed between the member and the directors and endorsed on the policy. Upon failure to comply with the conditions of the policy, original or as altered, or the regulations of the Society, membership in respect of that assurance shall cease and determine, but in the event of the policy being revived in accordance with the conditions thereof and of the regulations, membership shall likewise be revived.

Assignees, etc.

9.—(1) Subject to paragraph (2) of this regulation, the assignation or transference of a policy shall not confer membership of the Society in respect thereof and any assignee or transferee (in this regulation referred to as " the assignee ") whether legal or contractual (including assignees in trust, assignees or trustees in bankruptcy, judicial factors and receivers) shall not be entitled to attend or to vote at meetings of the Society or to have any voice in its affairs.

SCH. —*cont.*

(2) If, according to the terms of the policy or in consequence of assignation or other transference of any kind, the assignee has acquired or shall acquire the absolute right to such policy such assignee may, subject to paragraph (3) of this regulation, become a member in place of the person already a member of the Society in respect of that assurance if agreed between himself and the directors, provided that he complies with such requirements as may from time to time be prescribed by the directors.

(3) Where a policy has been assigned to, or otherwise become vested in, two or more persons jointly, regulation 5 (2) shall apply as if those persons were the persons insured by the policy and as if their names appeared therein in the order in which they appear in the assignation or grant under which they claim.

NOTICE TO OWNER OF POLICY

Owners of policies bound by notice to previous owners.

10. Every person who by operation of law, assignation, purchase or other means whatsoever shall become the owner of any policy, shall be bound by every notice in respect of such policy which prior to his name and address being entered on the Society's register of policy-holders shall be duly given to the person whose name and address appears at the date of such notice on the said register in respect of such policy.

MEETINGS OF MEMBERS

Annual general meeting.

11.—(1) The annual general meeting of the members shall be held at such place and on such date in each year as the directors shall from time to time appoint, provided that not more than fifteen months shall elapse between the date of one annual general meeting of the members and that of the next. Subject to regulation 13, the meeting shall be convened by advertisement appearing not less than twice in each of three daily newspapers of which one shall be published or generally circulating in Edinburgh, one shall be published or generally circulating in Glasgow, and the other shall be published or generally circulating in London. The first appearance of such an advertisement shall be in the week fourth preceding the week in which falls the proposed date of the meeting and the second appearance shall be in the week second preceding the week in which falls the said proposed date.

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

Special general meeting.

12.—(1) The directors may convene a special general meeting of the members at any time and shall convene such a meeting on a requisition in writing signed by at least five directors or by at least fifty members.

(2) Any such requisition shall be addressed to the secretary and shall be delivered at the principal office of the Society and shall state the purpose or purposes of the requisitioned meeting.

SCH. —*cont.*

(3) Every special general meeting shall, subject to paragraph (5) of this regulation, be held at a time and place fixed by the directors and shall be convened by advertisement (specifying shortly the purpose for which the meeting is convened) in the same manner, subject to regulation 13, as is prescribed for the annual general meeting.

(4) If the directors within twenty-one days from the date of receipt of a requisition do not procee ' to convene the meeting and to notify the requisitionists in writing of the date for which they have done so, the requisitionists may themselves convene the meeting in manner aforesaid.

(5) Any special general meeting convened pursuant to such requisition as aforesaid shall be convened for a date within three months after the receipt of the requisition by the Society.

Special resolutions.

13.—(1) If it is intended at any general meeting to propose any resolution as a special resolution, then the advertisements convening that meeting shall appear once in each of the two weeks mentioned in regulation 11 (1) and additionally once in the intervening week.

(2) No resolution may be proposed as a special resolution unless a statement of the terms of such resolution shall have appeared in every notice or advertisement convening the meeting at which it is intended to propose the resolution.

Business at annual general meeting.

14.—(1) The ordinary business of each annual general meeting shall be to consider the accounts and balance sheet and the ordinary reports of the directors and auditor or auditors and any special reports or other matters connected with the business or affairs of the Society referred to the meeting by the directors, to elect or re-elect directors in the place of those going out of office, to elect or re-elect one or more auditors, to determine the remuneration of the directors and auditor or auditors (or, in the case of the auditor or auditors, the manner in which such remuneration shall be fixed) and to transact any other business which under the regulations or the Society's Act ought to be transacted at the annual general meeting of the Society.

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

Quorum.

15. No business shall be transacted at any general meeting unless a quorum be present when the meeting proceeds to business. Fifteen members present in person shall be the quorum for a general meeting.

Absence of quorum.

16. If within fifteen minutes from the time appointed for any general meeting a quorum is not present, the meeting, if convened on a requisition as aforesaid, shall be dissolved; in any other case (including an adjourned meeting) it shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the directors may determine, and if at the adjourned meeting a quorum as above defined is not present

SCH. —*cont.*

within fifteen minutes from the time appointed for holding the meeting the members present shall be a quorum. Notice of any adjourned meeting shall be given in accordance with regulation 18 (2) if that regulation is applicable.

Chairman of general meetings.

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

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

Adjournment of meeting.

18.—(1) The chairman may with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.

(2) When a meeting is adjourned (whether under this regulation or under regulation 16) for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to advertise or give any notice of an adjournment or of the business to be transacted at any adjourned meeting.

Voting.

19.—(1) At any general meeting a resolution put to the vote of the meeting shall be decided by a simple majority of the votes cast except where under the Society's Act or the regulations a different majority is provided for. The vote shall be taken on a show of hands unless a poll is demanded (before or on the declaration of the result of the show of hands) by the chairman or by at least five members present in person or by proxy or represented by a person duly authorised under regulation 23 or 24.

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

SCH. —*cont.*

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

21. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or the poll is demanded shall have a casting in addition to any deliberative vote. Chairman's casting vote.

VOTING OF MEMBERS

22. Every member shall be entitled to attend and vote at meetings of the Society. Qualification of member to vote.

23. Any corporation which is a member of the Society may by resolution of its directors, partners or other governing body from time to time authorise such person as it thinks fit to act as its representative at general meetings of the Society and the person so authorised shall, subject to regulation 27 (2), be entitled to exercise the same powers (and in particular the power to appoint a proxy) on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Society. Representatives of corporations.

24. A member who is a patient for any purpose of any statute relating to mental health or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may (subject to regulation 27 (2)) vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis or other person in the nature of a committee, receiver or curator bonis appointed by that court, and any such committee, receiver, curator bonis or other person may vote by proxy. Votes of incompetents.

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

26. An instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit and shall be signed by the appointor or his attorney duly authorised in writing, or, if the appointor is an incorporated body, shall either be given Form of proxies.

SCH. —*cont.*

under its common seal or signed by an officer or attorney duly authorised:—

" SCOTTISH WIDOWS' FUND AND LIFE ASSURANCE SOCIETY

I ,
of ,
being a member of the above-named Society in respect of the undernoted policy/ies, hereby appoint,
of ,
or failing him, ,
of ,
as my proxy to vote for me on my behalf at the (annual or special, as the case may be) general meeting of the Society to be held on the day of 19 , and at any adjournment thereof.

Policy/ies above referred to:

Policy/ies number(s).....

.....

.....

Signed this day of 19 .

This form is to be used $\frac{\text{*in favour of}}{\text{against}}$ the resolution.

Unless otherwise instructed, the proxy will vote as he thinks fit.

*Strike out whichever is not desired."

Deposit of proxies and authorities to vote.

27.—(1) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power or authority shall be deposited at the principal office of the Society not less than two clear working days before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than one clear working day before the time appointed for the taking of the poll, and in default the instrument appointing a proxy shall not be treated as valid.

(2) No person claiming to vote pursuant to regulation 23 or 24 shall be entitled to do so unless such evidence of his authority as the directors may from time to time require has been deposited at the principal office of the Society not less than two clear working days before the time for holding the meeting or adjourned meeting at which that person proposes to vote, or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than one clear working day before the time appointed for the taking of the poll.

Authority conferred by proxies.

28. An instrument appointing a proxy for a particular meeting shall, unless the contrary be stated therein, be valid as well for any adjournment of that meeting.

SCH. —*cont.*

29. A vote given in terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the instrument was executed, provided that no intimation in writing of such death, insanity or revocation as aforesaid shall have been received by the Society at its principal office four hours before the commencement of the meeting or adjourned meeting at which the proxy is used. Validity of proxies.

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

31.—(1) On a show of hands at a general meeting every member present in person and every person present who represents a member under the provisions of regulation 23 or 24 shall be entitled to one vote, but so that no person present shall be entitled to more than one vote except by virtue of regulation 21. Number of votes.

(2) On a poll, each member present at the meeting in person or by proxy or represented by a person duly authorised under regulation 23 or 24 or by a proxy of such a person shall have one vote and for the avoidance of doubt a person who would be entitled to vote in more than one capacity (that is to say as an individual member or as a proxy or in one or more such representative capacities) shall be entitled to an additional vote in respect of each such capacity beyond the first.

(3) A person entitled to vote in more than one capacity in accordance with paragraph (2) of this regulation need not, if he votes, use all his votes or cast all the votes he uses in the same way.

(4) Notwithstanding anything expressed or implied in the regulations, a person who is a member in right of more than one policy shall be entitled, whether on a show of hands or on a poll, to only one vote in that capacity.

DIRECTORS

32. The government, direction and superintendence of the business and affairs of the Society including the management of its property rights and assets shall be vested in a court of directors, who may exercise all the powers competent to the Society except such as are by any Act of Parliament or the regulations declared to be exercisable only by the Society in general meeting, but no regulation made or amended by the Society in general meeting shall invalidate any prior act of the directors which would have been valid if the regulation had not been made or amended. The general powers given by this regulation shall not be limited or restricted by any special authority or power given to the directors by any other regulation. Management of Society vested in directors.

33. The number of directors shall be such number not being more than eighteen nor less than eight as may from time to time be determined by resolution of the directors. Number of directors.

SCH. —*cont.*

Directors may act notwithstanding vacancy.

34. The continuing directors may act notwithstanding any vacancy in their body and no act or proceeding of the directors or any of them either before or after the passing of the Society's Act shall be invalid or liable to be called in question on the ground merely that at the time when such act or proceeding took place any vacancy or vacancies existed in the number of directors of the Society provided for the time being pursuant to regulation 33. Provided that if the number of directors shall fall below the prescribed minimum number the directors shall forthwith take the necessary steps to make up such minimum number.

Qualification of directors.

35. No person except an individual under the age of seventy may be elected or appointed a director, and if an individual who is not a member becomes a director he must within two months of his election or appointment become a member.

Continuance in office of present directors.

36. The persons who, immediately before the passing of the Society's Act, were the directors of the Society shall continue to be the directors of the Society, and shall be subject to retiral in accordance with the regulations as if they had been elected or appointed directors on the date when they were last elected or appointed directors.

Vacation of office of director.

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

(1) does not, within two months of his election or appointment, become a member, or ceases to be a member and does not become a member again within two months;

(2) becomes bankrupt or compounds with his creditors;

(3) becomes of unsound mind or a patient for any purpose of any statute relating to mental health;

(4) becomes disqualified by law from being a director of a company;

(5) gives to the secretary at the principal office of the Society written notice of resignation (which resignation shall be effective from the date of receipt by the secretary of such notice or such later date as shall be specified in the notice);

(6) is called upon by a resolution of the directors passed by a majority of not less than three-fourths in number of the directors present and voting or by a resolution of the Society in general meeting to resign and his immediate resignation is not notified within seven days;

(7) is absent from meetings of the directors for six calendar months without leave of absence from the directors and the directors resolve that by reason thereof his office be vacated.

Directors may contract with Society.

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

SCH. —*cont.*

Provided—

(i) that, subject to regulations 39 and 40, the nature of his interest must be disclosed by him at the meeting of the directors at which the contract or arrangement is determined on if his interest then exists or in any other case at the first meeting of the directors after the acquisition of his interest; and

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

General notice as to director's interests.

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

Disclosure of interest to officer of Society.

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

Directors may hold other office except auditor.

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

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

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

Remuneration of directors.

43.—(1) The directors shall be entitled to remuneration for their services on such basis and at such rates as shall from time to time be determined by the Society in general meeting, and the basis and rates of remuneration fixed at any such meeting shall continue in force until altered at a subsequent general meeting. The remuneration may consist in whole or in part of provision for benefits on final retirement or for life assurance or for any other form of benefits.

(2) Until rates are fixed as aforesaid the directors shall be entitled to receive remuneration at the same rates as those in use immediately before the passing of the Society's Act.

SCH. —*cont.*

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

Additional remuneration and expenses.

44. Each director may be paid his reasonable travelling, hotel and incidental expenses of attending and returning from meetings of directors or committees of directors or general meetings and shall be paid all expenses properly and reasonably incurred by him in the context of the Society's business or in the discharge of his duties as a director. Any director who, by request, goes or resides abroad for any purposes of the Society or who performs services which in the opinion of the directors go beyond the ordinary duties of a director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the directors may determine, and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other regulation.

RETIREMENT AND ELECTION OF DIRECTORS

Retirement and election of directors.

45.—(1) At the close or adjournment under regulation 18 of the annual general meeting in each year there shall go out of office any director who has attained the age of seventy.

(2) If the number of directors going out of office at any annual general meeting under the preceding paragraph is less than three there shall also go out of office at the close or adjournment under regulation 18 of that meeting such other director or directors (excluding the chairman and deputy chairman for the time being) as are necessary to bring the total number of directors going out of office at that time under this regulation to three. The directors who are to go out of office under this paragraph shall be those who have been longest in office since their last election.

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

(4) Every director going out of office in accordance with this regulation or regulation 48 (2) who has not attained the age of seventy shall be eligible for re-election.

Election of directors.

46. At any meeting at the close or adjournment of which any director will go out of office pursuant to regulation 45 or 48 the Society may fill the vacated office or offices by electing an individual or like number of individuals and in default each director going out of office shall if eligible and offering himself for re-election be deemed to have been re-elected unless at such meeting it is expressly resolved that his office be vacated or unless a resolution for his re-election shall have been put to the meeting and lost.

SCH. —*cont.*

47. No person shall be eligible for election as a director except a director eligible under regulation 45 (4) or an individual recommended by the directors or an individual nominated by a member by a notice in writing deposited at the principal office of the Society not less than twenty-one days before the meeting accompanied by a notice in writing signed by the individual so nominated intimating his willingness to be elected. Eligibility for election.

48.—(1) The directors shall have power at any time, and from time to time, to appoint any individual who would be eligible for election as a director to be a director, either to fill a casual vacancy in the court (howsoever arising) or as an addition to the existing directors, but so that the total number of directors shall not at any time exceed the maximum number prescribed by regulation 33. Co-option of directors.

(2) Any director so appointed shall, in addition to those going out of office in accordance with regulation 45, go out of office at the close or adjournment under regulation 18 of the next following annual general meeting of the Society.

COMMITTEES OF DIRECTORS

49. The directors may, subject to any provision of the Society's Act or of the regulations to the contrary, delegate any of their powers with reference to particular matters to committees consisting of such one or more of their number as they think fit. Any committee so formed shall in the exercise of the powers so delegated conform to any rules and restrictions that may from time to time be imposed on it by the directors. Committees.

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

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

MEETINGS OF DIRECTORS

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

53.—(1) The directors may at their discretion decide to hold meetings at regular intervals in which event no notice of a meeting shall be required provided that the secretary shall have circulated to all directors at Notice of meetings.

SCH. —*cont.*

a meeting or through the post or otherwise a written statement of the intended dates of future meetings (including the meeting in question) over such period as he may deem appropriate.

(2) A special meeting of directors may be convened by the secretary or by the chief executive, and shall be convened by the secretary if so required by the chairman or deputy chairman for the time being or by any three or more directors.

(3) Such special meeting shall be convened by notice in writing (which need not specify the business to be considered thereat) and if such notice is given by post it shall be posted at least three clear working days before the time appointed for the meeting.

(4) It shall not be necessary to give notice of a meeting of directors to any director who is at the time of giving notice believed to be absent from the United Kingdom.

Chairman and deputy chairman.

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

Quorum.

55. Three or more directors assembled at a duly convened meeting of directors shall be a quorum.

Voting.

56. Questions arising at any meeting of the directors shall be decided by a majority of votes except where under the Society's Act or the regulations a different majority is provided for. In the case of an equality of votes, the chairman of the meeting shall have a casting vote in addition to any deliberative vote.

Resolution in writing.

57. A resolution in writing signed by all the directors for the time being entitled to receive notice of a meeting of the directors shall be as valid and effectual as if it had been passed at a meeting of the directors duly convened and held and may consist of several documents in the like form each signed by one or more of the directors.

Validity of acts and proceedings.

58. All acts done by directors or by a committee of directors or by local directors or by any person acting as a director or as a member of a committee of directors or as a local director notwithstanding that it may be afterwards discovered that there was some defect in the appointment of such directors or members of a committee of directors or local directors or any such person acting as a director or as a member of a committee of directors or as a local director or in the formality of their proceedings or that they or any of them were disqualified shall be as valid as if every such person had been duly appointed and qualified and such proceedings had been regular.

SCH. —*cont.*

LOCAL DIRECTORS

Local directors.

59.—(1) The directors may at any time, and from time to time, appoint one or more individuals to be local directors in any territory in respect of which they have designated a local head office under the Society's Act on such terms and conditions as the directors may (subject to the Society's Act and the regulations) think fit.

(2) The directors may at any time remove from office any local director appointed under paragraph (1) of this regulation (without prejudice to any claim such local director may have for damages for breach of any contract of service between him and the Society) and shall not be obliged to appoint any person to replace a local director so removed notwithstanding that there may in consequence be no remaining local directors in respect of the territory in question.

(3) The directors may delegate to any local director or local directors the exercise within the territory in question of any of the powers conferred on the directors by the Society's Act and the regulations but subject to the regulations and to any rules or restrictions which the directors may think fit, and may authorise such local director or local directors to delegate the powers so delegated to them.

Remuneration of local directors.

60. The directors may pay such local directors such remuneration as they may consider reasonable. The remuneration may consist in whole or in part of provision for benefits on final retirement or for life assurance or for any other form of benefits, or of commission or bonus in respect of the business arising in that territory.

Qualification of local directors.

61. No qualifications shall be required for appointment as a local director and local directors shall not be regarded as directors for the purpose of the Society's Act and the regulations except in regard to the powers delegated to them by the directors.

Meetings of local directors.

62. The regulations applicable to meetings of committees of directors shall apply mutatis mutandis to meetings of local directors except as provided in this regulation. Local directors shall appoint a secretary (who may be one of their own number) and shall keep a record of their meetings in a minute book (which may be a loose-leaf book) to be provided for the purpose. As soon as conveniently practicable, and in any event within one week after each meeting, the secretary so appointed shall forward a copy of the minute of that meeting duly certified by the chairman as a correct record to the secretary of the Society.

MINUTES

Minutes.

63.—(1) The directors shall cause minutes of the proceedings of meetings of the Society, of directors and of committees of directors to be duly entered in books (which may be loose-leaf books) to be provided for the purpose and every entry shall be signed by the chairman of the meeting at which such proceedings take place or by the chairman of the next succeeding meeting at which the minutes are approved.

(2) Such minute books shall be held by the secretary and be available for inspection by any director and (in the case of minutes of meetings

SCH. —*cont.*

of the Society) by any member during business hours, subject to such reasonable restrictions as the directors may impose.

(3) Without prejudice to the foregoing provisions of this regulation, minutes of each meeting of a committee of directors shall be produced to the next following meeting of directors or to such other meeting of directors as the directors may from time to time require.

(4) Any minutes of any such meeting as is mentioned in paragraph (1) of this regulation, if signed by any person purporting to be the chairman of such meeting, or the chairman of the meeting at which they are approved, shall be receivable as prima facie evidence of the facts therein stated in all legal proceedings, and until the contrary is proved the meeting shall be deemed to have been duly held and convened, and all proceedings to have been duly carried out thereat.

OFFICERS, EMPLOYEES, ETC.

Chief executive, actuary and secretary.

64.—(1) The directors shall appoint a chief executive (who shall be designated " general manager " or otherwise as the directors shall decide), an actuary and a secretary, at such remuneration and upon such conditions (which they may alter from time to time) as they think fit and any chief executive, actuary or secretary so appointed may at any time be removed or suspended from office by them without prior notice but without prejudice to any claim such person may have for breach of any contract of service between him and the Society. The directors may fix, assign and alter the duties of such chief executive, actuary or secretary, subject always to the duties laid upon such officers by any Act of Parliament or by the regulations.

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

Professional advisers, employees, officers, agents, etc.

65. The directors may from time to time appoint, remove or suspend such bankers, professional advisers, officers, employees, agents and others as they may consider necessary for efficiently carrying on the business or affairs of the Society (including therein the management of the property, rights and assets of the Society) and may determine their powers and duties and fix their remuneration and require security in such instances and to such amount as they think fit.

Power of directors to delegate.

66. The directors may (except so far as otherwise expressly provided) delegate to the chief executive, actuary or secretary, or to any other officer or employee of the Society, or to such bankers, professional advisers, agents or others as they shall think fit, any of the powers, duties and discretions exercisable by them as directors (whether such powers, duties and discretions are conferred or imposed by the Society's

Act or by the regulations or otherwise) upon such terms and conditions as they think fit; and such terms may include the power of further delegation. SCH. —*cont.*

ATTORNEYS

Attorneys may be appointed by directors.

67. The directors may from time to time and at any time by power of attorney appoint upon such terms (including remuneration) as they think fit any person, or the holder for the time being of any office, to be the attorney or attorneys of the Society for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with such attorney or attorneys as the directors may think fit and may also authorise such attorney or attorneys to delegate all or any of the powers, authorities and discretions vested in him or them.

TRUSTEES OR NOMINEES

Appointment of trustees or nominees.

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

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

BORROWING POWERS

Power to borrow and give security.

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

SEAL

Common seal.

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

Seal for use abroad.

71.—(1) The Society may have, for use in any territory outside the United Kingdom in respect of which the directors have designated a local head office, an official seal which shall be a facsimile of the common seal of the Society, with the addition on its face of the name of

SCH. —*cont.*

every territory where it is to be used. A deed or other writing to which an official seal is duly affixed shall bind the Society as if it had been duly sealed with the common seal of the Society.

(2) The directors may by writing under the common seal of the Society authorise any person or persons appointed for the purpose in any such territory as aforesaid as its agent to fix the official seal to any deed or other writing to which the Society is a party in that territory, and the agent in affixing such official seal shall, by writing under his hand, certify on the deed or other writing to which the seal is affixed the date on which and the place at which it is affixed.

(3) The authority of any agent appointed under paragraph (2) of this regulation shall continue during the period (if any) mentioned in the instrument conferring the authority, or, if no period is mentioned therein, until revoked by the directors by notice in writing given to the agent, provided that as against any person or persons dealing with the agent his authority shall be deemed to continue until notice of its revocation or determination has been given in accordance with regulation 92 (2).

Authentication of documents.

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

EXECUTION OF DOCUMENTS

Execution of documents.

73.—(1) All policies, contracts, cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, receipts and other documents requiring to be signed, drawn, accepted, endorsed or otherwise executed on behalf of the Society, may be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person or persons and in such manner as the directors shall from time to time determine. The directors may, either generally or in any particular case, determine that the signature of a director or of the secretary or of any other person or persons duly authorised by them to sign may be printed or affixed by some mechanical or other device to be specified by the directors, and subject to such precautions as to the use and safe custody of such device as the directors may from time to time prescribe.

(2) Notwithstanding anything to the contrary in paragraph (1) of this regulation the directors may make such rules as they think fit for the signing of such documents, but no person receiving the same shall be bound or required to see that the same have been approved or sanctioned by the directors.

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

SEPARATION OF FUNDS

SCH. —*cont.*

Formation and application of separate funds.

74.—(1) The directors may make all necessary and convenient arrangements for carrying to a separate fund or funds the receipts from such business as is mentioned in paragraph (2) of this regulation, and for meeting from that fund or funds the payments in respect of such business, and may if they think fit provide that such fund or funds be security for the assurances under the policies attributable thereto respectively in the same manner as if each such fund formed the fund of a separate company carrying on no other business than that comprised in such policies.

(2) A separate fund may be established under paragraph (1) of this regulation in respect of—

(*a*) any particular class of business; or

(*b*) the business arising in any particular territory or territories whether within or without the United Kingdom; or

(*c*) any particular class of business arising in any particular territory or territories whether within or without the United Kingdom.

(3) The directors may make provisions in relation to such separate fund or funds as aforesaid touching or concerning any or all of the following matters:—

(*a*) the liability of the separate fund or funds to creditors of the Society;

(*b*) the extent to and manner in which the charges and expenses (if any) of the Society in connection with the separate fund or funds and the expenses of operating the same shall be met by or from the same in addition to or to the exclusion of any other fund or funds.

Prospectuses for separate funds.

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

RESERVE FUNDS

Reserve funds.

76. The directors may, in relation to any separate fund or otherwise, establish reserves which may or may not be allocated for a specific purpose and the directors may, at any time, transfer to or from such reserves such sums as they think fit.

ACTUARIAL REPORT

Actuarial valuation and report.

77.—(1) At intervals of three years, or at such shorter intervals as the directors shall determine, the actuary shall make a valuation and report to the directors regarding the financial position of the Society and of each separate fund established in accordance with the regulations.

(2) In every report submitted to the directors in pursuance of this regulation, the actuary shall state, in relation both to the general fund

SCH. —*cont.*

of the Society and to each separate fund, the amount of the surplus (if any) which in his opinion is then available for appropriation in accordance with regulation 78; and in relation to each such fund the " available surplus " shall mean the amount so stated.

DISTRIBUTION OF PROFITS

Appropriation of surplus.

78.—(1) Where there is an available surplus in respect of any fund including the general fund of the Society, the directors may in their discretion make provision out of that available surplus for the making of such payments, or the allowance of such benefits, privileges or advantages, as they think fit, to any persons or class of persons who have transacted or shall transact with the Society any business connected with the fund in relation to which that available surplus arose.

(2) The directors may in their discretion declare to be distributable in respect of any fund the whole or any part of any balance remaining (after making such provision, if any, as they shall have determined on under paragraph (1) of this regulation) of any available surplus relating to that fund; and in relation to each such fund the " distributable surplus " shall mean the amount so declared.

(3) Nothing in this regulation shall require that the directors declare to be distributable the whole (or the whole of such balance) of any available surplus and they may in their discretion determine that the whole or any part of such available surplus (or of such balance) shall be carried forward in the fund in relation to which it arose.

Bonus distribution.

79.—(1) If the directors declare a distributable surplus in respect of any fund, they shall allocate that distributable surplus among the policies under which the assurances are entitled to participate in that part of the profits of the Society which is represented by that distributable surplus, on such principles and by such methods as they may from time to time determine having regard to the terms and conditions of such policies and to the terms on which was established any separate fund relative to such policies. The distributable surplus may be applied in the provision of reversionary bonuses on such policies or by reduction of premiums or otherwise as the directors may determine.

(2) Nothing in this regulation shall require that the directors allocate any of the distributable surplus to policies which are no longer in force (whether or not capable of being revived) at the date on which the directors actually make their declaration.

Encashment of bonus.

80. The directors may at their discretion arrange with any member holding (or other person in right of) a policy under which the assurance qualifies for the addition of a reversionary bonus or for the reduction of premium by application of bonus or for a bonus in any other form for such bonus to be cancelled in return for a cash payment on such basis as they may determine and for the policy conditions and benefits to be restored to those which would have been applicable if that bonus had not been declared.

Bonus on claims between distributions.

81. In respect of the period since the previous distribution of surplus, or in any other respect as the directors may determine, the directors

SCH. —*cont.*

may provide at the date of claim under any policy an interim bonus addition or special bonus addition or terminal bonus addition or other forms of bonus addition on such basis or bases and at such rate or rates as they may from time to time determine, and the directors shall have power to amend such basis or bases and rate or rates, or to suspend payment of such interim or special or terminal or other bonus additions, at any time.

Power to declare distributable surplus not to be delegated.

82. The powers and responsibilities of the directors under the foregoing regulations relative to the distribution of profits shall be exercised by the directors as such and shall not be capable of delegation by them whether in whole, or in part, or in respect of a separate fund.

ACCOUNTS

Accounts to be kept.

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

(1) the sums of money received and expended by the Society and the matters in respect of which such receipt and expenditure take place;

(2) the assets and liabilities of the Society; and

(3) the separate transactions relative to separate funds of the Society.

Books to be kept at principal office or elsewhere.

84.—(1) Subject to paragraph (2) of this regulation, the books of account shall be kept at the principal office of the Society, or at such other place or places as the directors think fit, and shall always be open to the inspection of the directors.

(2) The books of account of a separate fund or funds in respect of business arising in any territory in respect of which the directors have designated a local head office may be kept at that local head office but in such a case a draft revenue account, balance sheet and such other information as the directors may require to enable them to ascertain with reasonable accuracy the financial position of that fund or funds shall be prepared at intervals of not more than six months and submitted to the principal office of the Society within six weeks of the date to which they are made up, and shall be held there or at such other place as aforesaid for such period as the directors may prescribe. All such accounts, balance sheets and other information shall always be open to the inspection of the directors.

Members' right to inspect books.

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

Annual accounts and balance sheet.

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

SCH. —*cont.*

Annual report of directors.

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

Copies to be sent to members.

88. A printed copy of every such account, balance sheet and report shall on the application of any member be forwarded to him by post or otherwise. If a separate account, balance sheet and report is published for a separate fund, a copy of such account, balance sheet and report shall on the application of any member in relation to a policy in that fund be likewise forwarded to him.

AUDITORS

Qualification and duties of auditor.

1974 c. 49.

89.—(1) An auditor or auditors of the Society shall be appointed and his or their duties regulated in accordance with the provisions of the Companies Acts 1948 to 1976 relating to audit as applied to the Society and of section 17 of the Insurance Companies Act 1974.

(2) The remuneration of the auditor or auditors shall be determined by the Society in general meeting or in such manner as the Society in general meeting may determine, and may consist in whole or in part of provision for benefits on final retirement or for life assurance or for any other form of benefits.

Audit of separate funds.

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

INDEMNITY

Indemnity of officers, etc., of Society.

91.—(1) So far as allowed by law every director, local director, chief executive, actuary, secretary or other officer, auditor, law agent or employee for the time being of the Society shall be indemnified out of the funds of the Society against all costs, charges, losses, damages and expenses which he shall respectively incur or be put to on account of any contract, act, deed, matter or thing which shall be made, done, entered into or executed by him respectively on behalf of the Society, and every such person shall be reimbursed by the Society all reasonable expenses incurred by him in or about any legal proceedings or arbitration on account of the Society or otherwise in the execution of his respective office except such costs, losses and expenses as shall happen through his respective negligence, default, breach of duty or breach of trust.

(2) Any such person as aforesaid shall be chargeable only for so much money as he shall actually receive, and shall not be answerable for the acts, receipts, neglects or defaults of any other such person but each of

SCH. —*cont.*

them for his own acts, receipts, neglects or defaults only; nor shall he be answerable for any banker, broker, collector or other person with whom or into whose hands any property or moneys of the Society may be deposited or come or for the insufficiency of the title to any security or investment which may from time to time be acquired on behalf of the Society or for the insufficiency of any investment or security in which any of the moneys of the Society shall be placed by order of or under authority from the directors or for any loss or damage which may happen in the execution of his respective office or employment unless the same shall happen through his own respective negligence, default, breach of duty or breach of trust.

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

NOTICES

Service of notices by Society.

92.—(1) A notice requiring to be given by the Society to the members or any other persons and not expressly provided for by the Society's Act and the regulations shall be sufficiently given if given by advertisement to be inserted (subject to paragraph (2) of this regulation) at least once in each of three daily newspapers of which one shall be published or generally circulating in Edinburgh, one shall be published or generally circulating in Glasgow and one shall be published or generally circulating in London.

(2) If any such notice as is mentioned in paragraph (1) of this regulation relates to any matter principally affecting a territory or territories outside the United Kingdom in respect of which the directors have designated a local head office, that notice shall be sufficiently given if given by advertisement to be inserted at least once in a daily newspaper or newspapers respectively published or generally circulating in the place where each relevant local head office is situated.

(3) A notice requiring to be served by the Society otherwise than by advertisement upon any member or other person whose place of address appears in the books of the Society to be in the United Kingdom may be served either personally or by sending it prepaid through the post addressed to such member or other person at that address.

(4) Each member or other person whose place of address is for the time being not in the United Kingdom may from time to time intimate in writing to the Society some place of address in the United Kingdom to be his address for service and any notice requiring to be served otherwise than by advertisement may be served by the Society upon such member or other person by sending it prepaid through the post addressed to such member or other person at that address.

(5) Any such member or other person as is mentioned in paragraph (4) of this regulation who has not intimated any such address for service

SCH. —*cont.*

shall be deemed to have waived service of all notices other than those of which service by advertisement is prescribed to be sufficient service by the Society's Act or the regulations.

(6) When two or more persons are joint holders of any policy a notice requiring to be served otherwise than by advertisement may be served by the Society upon any one of such persons and such service shall be deemed to be sufficient service of such notice upon all the holders of such policy.

(7) An intimation in writing of every change of name or address of any member shall be forthwith deposited by such member at the principal office of the Society and in default thereof a notice requiring to be served by the Society otherwise than by advertisement may be served upon such member by sending it prepaid through the post addressed to such member at the place of address appearing in the books of the Society and such member shall be deemed to have received such notice.

(8) The signature to any notice to be given by or on behalf of the Society may be written or printed.

(9) Where a notice for a specified number of days is required to be given the day of service unless it is otherwise provided shall be counted in such number of days.

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