

Scottish Mutual Assurance Society Act, 1952

15 & 16 GEO. 6 & 1 ELIZ. 2 Ch. xxxix

ARRANGEMENT OF SECTIONS

Section

1. Short title.
2. Interpretation.
3. Cancellation of share capital.
4. Incorporation of Society.
5. ~~Assignment of stock.~~
6. Vesting in Society of existing property of limited company.
7. Objects of Society.
8. Powers of Society.
9. Members not to be personally liable.
10. Issue of stock in lieu of share capital.
11. Interest on stock.
12. Payment of stock on winding up.
13. Conditions of issue of stock.
14. Purchase and sale or cancellation of stock.
15. Purchase of stock of missing shareholders.
16. Reserve funds.
17. Valuation for and declaration of divisible profits.
18. Division of profits.
19. Declaration of intermediate bonuses.
20. Allocation of expenses of Society.
21. No policy deemed to be effected until payment of premium.
22. Policies liable for claims against members etc.
23. Execution of assignments of policies etc.
24. Society may pay on receipt of trustees.
25. Discharge of sums payable under policies.
26. Head office.
27. Present directors to continue in office.
28. Present auditor to continue in office.
29. Auditors' qualifications.
30. Present officers to continue in office.

Section

31. Informalities in appointment.
32. Indemnity.
33. Individual responsibility.
34. Change of name.
35. Regulations of Society.
36. Special resolution.
37. Saving for existing rights and liabilities.
38. Saving for existing policies etc.
39. Saving for pending actions.
40. Saving for existing rights of action.
41. Books etc. continued evidence.
42. Form of books and registers etc.
43. Power to wind up.
44. Proceedings on winding up.
45. Application of assets.
46. Companies Clauses Acts not to apply.
47. General Acts to apply.
48. Costs of Act and preliminary thereto.

SCHEDULES:

First Schedule—*Members of the Society.*

Second Schedule—Roll of missing shareholders of the limited company (all untraced for more than twenty years).



CHAPTER xxxix

An Act to incorporate the Scottish Mutual Assurance Society to provide for the control and management of the Society as a mutual assurance society and for the conversion of its share capital into stock to confer further powers on the Society and for other purposes.
[1st August 1952.]

WHEREAS by a memorandum and articles of association certain persons therein designed and thereto subscribing formed themselves into a company (hereinafter called "the limited company") which was incorporated under the Companies Acts 1862 to 1880 and was registered on the twenty-fifth day of July eighteen hundred and eighty-three under the name of the Scottish Temperance Life Assurance Company Limited for the purposes of carrying on the businesses of—

- (1) the effecting of life assurances annuities endowments and other contracts depending upon the contingencies of human life and health ;
- (2) the purchasing or advancing of money upon the security of life interests and reversions ;
- (3) the effecting of insurances against personal injury by accident either in conjunction with life assurance or otherwise ;
- (4) generally the transaction of all kinds of business in the United Kingdom or elsewhere which are at present or which may become incidental to the business of a life assurance accident assurance or reversionary company ;
- (5) the purchasing or otherwise acquiring or administering as principals or agents the whole or any part of the business of any company corporation society or partnership carrying on the whole or any part of the before-mentioned business ;

- (6) to effect reinsurances with any other companies associations or individuals in respect of all or any of such matters ;
- (7) to lend invest and borrow money ;
- (8) to do all such other things as are incidental or conducive to the attainment of the above objects.

And whereas on the fifth day of August nineteen hundred and twenty an agreement was entered into between the limited company and the British General Insurance Company Limited (a company registered in England for the purpose of carrying on general insurance business) whereby arrangements were made for the two companies working together in mutual support and it was agreed (inter alia) that the name of the limited company should be changed to "the Scottish Temperance and British General Assurance Company Limited" that the British General Insurance Company Limited should endeavour to acquire from the holders thereof all the shares in the capital of the limited company and that one hundred thousand shares of the British General Insurance Company Limited should be allotted to the limited company :

And whereas the British General Insurance Company Limited acquired from the holders thereof ninety-nine thousand two hundred and eighty-seven shares of one pound each (five shillings paid) in the capital of the limited company and allotted to the limited company one hundred thousand shares in the capital of the British General Insurance Company Limited :

And whereas by a special resolution passed at an extraordinary general meeting of the members of the limited company duly convened and held upon the twenty-second day of October nineteen hundred and twenty and confirmed at a subsequent extraordinary general meeting duly convened and held on the twelfth day of November nineteen hundred and twenty the name of the limited company was with the consent of the Board of Trade and in pursuance of the above recited agreement of the fifth day of August nineteen hundred and twenty changed to "the Scottish Temperance and British General Assurance Company Limited" which change of name was duly registered with the Registrar of Joint Stock Companies in Edinburgh conform to certificate of change of name granted by him dated the first day of December nineteen hundred and twenty :

And whereas by a further special resolution passed at the said extraordinary general meeting of the members of the limited company duly convened and held on the twenty-second day of October nineteen hundred and twenty and confirmed at the said extraordinary general meeting of the members of the limited company duly convened and held on the twelfth day of November nineteen hundred and twenty the limited company resolved—

“ That the third clause of the memorandum of association of the company specifying the objects of the company be altered in accordance with the provisions of section 9 of the Companies (Consolidation) Act 1908 by the deletion thereof and by the substitution in its place of the following clause:—

‘ 3. The objects for which the company is established are—

(1) To carry on the business of insurance of every description and in particular and without prejudice to said generality to undertake grant or effect policies or other contracts in respect of—

(a) Life assurance annuities endowments and other contracts depending upon the contingencies of human life and health ;

(b) Personal accident insurance in all its branches ;

(c) Employers’ liability insurance in all its branches and including the indemnification of employers of labour and others against liability or costs or claims arising out of any accident to any workman or other person employed in their services or to the property of any persons arising from any act default or omission of any workman or other persons in the employ of the insured and that whether arising under any statute or otherwise ;

(d) Fire insurance in all its branches ;

(e) Burglary insurance in all its branches with the indemnification against injury or damage to or loss of property cash goods or effects directly or indirectly caused or resulting from burglary housebreaking theft larceny or otherwise ;

(f) Motor insurance in all its branches and all risks in connection with motor vehicles motor boats and motoring generally ;

(g) Aircraft insurance in all its branches and all risks losses or accidents whatsoever arising in connection with aircraft and travelling by air generally ;

(h) Plate-glass insurance in all its branches ;

(i) Live stock insurance over horses cattle and all other live stock of every description against injury or death from any cause and from all other risks ;

(j) Carriage and vehicular insurance of every description against damage loss or destruction and all other risks ;

- (k) Marine insurance in all its branches ;
 - (l) Transit insurance in all its branches whether by sea land or air ;
 - (m) Crops insurance upon and in respect of crops grain and fruits of every description whether growing or severed against loss destruction or injury by fire flood lightning or tempest ;
 - (n) Goods insurance including cash and all other kinds of property or effects against injury damage loss or destruction resulting from any cause whatsoever accidental or otherwise ;
 - (o) Third party insurance in all its branches ;
 - (p) Reinsurance business of or in connection with all or any risks within the scope of insurance business of the company and that directly or indirectly :
- (2) To carry on the business of purchasing life interests reversions and of advancing money upon the security thereof ;
 - (3) To carry on the business of providing loans to lease holders borrowers lenders and others for the establishment of redemption renewal sinking special or other funds ;
 - (4) To carry on the business of fidelity guarantee and every kind of indemnity and including the granting of bonds of caution or indemnity in connection with executries curatories trust estates judicial factories or other descriptions of trusts ;
 - (5) To carry on the business of executor trustee factor manager or receiver or any other similar office or position of trust or confidence for remuneration and to perform and discharge the duties and functions incident thereto and to transact all kinds of trust business ;
 - (6) To carry on agency business in all branches of all or any of the businesses of the company ;
 - (7) To purchase or otherwise acquire and undertake all or any part of the business property and liabilities of any company or person carrying on any business within the objects of the company ;
 - (8) To enter into partnership or into any agreement for sharing profits union of interest or co-operation with any company association or corporation carrying on or engaged in or about to carry on or engage in business within the objects of the company and to purchase or otherwise acquire and hold shares or

stock whether fully paid up or otherwise in any such company association or corporation and to sell hold or otherwise deal with such shares or stock:

- (9) To lend advance or invest money generally:
- (10) To borrow raise or secure money in such manner as the company shall think fit and in particular by the issue of debentures or debenture stock perpetual or otherwise charged upon all or any of the company's property (with the exception of the life insurance funds of the company):
- (11) To provide for the welfare of persons in the employment or formerly in the employment of the company by granting pensions or otherwise:
- (12) To carry on all or any of the business of the company and to exercise all or any of its powers in any part of the world:
- (13) To do all such other things as are incidental or conducive to the attainment of the objects of the company or any of them.' "

And whereas the foregoing special resolution and the extension of the objects of the limited company thereby effected were duly confirmed by an order of the court of session bearing date the fifteenth day of January nineteen hundred and twenty-one and further such resolution effected certain alterations in the articles of association of the limited company:

And whereas the arrangement between the limited company and the British General Insurance Company Limited to work together in mutual support was determined in the year nineteen hundred and twenty-four and by agreement dated the nineteenth day of August nineteen hundred and twenty-four it was agreed that the name of the limited company should be changed to "the Scottish Temperance and General Assurance Company Limited" that the limited company should transfer to the nominee of the British General Insurance Company Limited the one hundred thousand shares in that company allotted to the limited company as above recited and that the British General Insurance Company Limited should transfer to the nominee of the limited company the ninety-nine thousand two hundred and eighty-seven shares in the capital of the limited company acquired from the shareholders of the limited company as above recited:

And whereas with a view to carrying out the terms of the agreement of the nineteenth day of August nineteen hundred and twenty-four the limited company on the thirtieth day of August nineteen hundred and twenty-four caused to be registered in Scotland under the Companies Acts 1908 to 1917 a private

limited company by the name of the Holding Trust Limited which said company is a subsidiary company of the limited company and the registered office whereof is situate in Glasgow :

And whereas the British General Insurance Company Limited duly transferred to the Holding Trust Limited ninety-nine thousand two hundred and eighty-seven shares of one pound each (five shillings paid) in the capital of the limited company :

And whereas by a special resolution passed at an extraordinary general meeting of the members of the limited company duly convened and held on the third day of September nineteen hundred and twenty-four and confirmed at a subsequent extraordinary general meeting of the members of the limited company duly convened and held on the nineteenth day of September nineteen hundred and twenty-four the limited company with the consent of the Board of Trade and in pursuance of the above recited agreement of the nineteenth day of August nineteen hundred and twenty-four changed its name to "the Scottish Temperance and General Assurance Company Limited" which change of name was duly registered with the Registrar of Joint Stock Companies in Edinburgh conform to certificate of change of name granted by him dated the tenth day of October nineteen hundred and twenty-four :

And whereas on the fifteenth day of September nineteen hundred and twenty-four an offer was made on behalf of the Holding Trust Limited through the limited company to the holders of the seven hundred and thirteen shares of the limited company who had not accepted the offer for their shares made by the British General Insurance Company Limited in the year nineteen hundred and twenty which offer was to the effect that the Holding Trust Limited would purchase from the holders of the said seven hundred and thirteen shares their shares in the limited company at the price of five shillings per share being the then par value thereof together with a premium of thirty-five shillings for each share making a total price of two pounds for each share in the limited company held by such shareholders which offer was completely accepted by the holders of five hundred and ninety-five of the said seven hundred and thirteen shares of the limited company :

And whereas by a special resolution passed at an extraordinary general meeting of the members of the limited company duly convened and held upon the thirty-first day of January nineteen hundred and fifty-one the name of the limited company was with the consent of the Board of Trade changed to "the Scottish Mutual Assurance Society Limited" which change of name was duly registered with the Registrar of Companies in Edinburgh conform to certificate of change of name granted by him dated the fourteenth day of February nineteen hundred and fifty-one :

And whereas by a further special resolution passed at the said extraordinary general meeting of the members of the limited company duly convened and held on the said thirty-first day of January nineteen hundred and fifty-one the powers of the limited company were increased by the passing of the following special resolution:—

“ That clause three of the memorandum of association of the company be altered by the addition thereto of the following new clause to be numbered sub-clause 11A:—

‘ (11A). To apply for and obtain any Act of Parliament Provisional Order or other legal or legislative sanction for enabling the company to carry any of its objects into effect or for effecting any modification of the company’s constitution or for any other purpose which may seem expedient and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the company’s interests and in particular to procure a private Act of Parliament or a Provisional Order for the purpose of converting the company into a mutual assurance company and to pay the costs and expenses incurred in connection with the promotion of any such Act or Order applications for any such other legal or legislative sanction and opposition to any such proceedings or applications and that whether the same shall be successful or unsuccessful.’ ”

And whereas this special resolution was duly forwarded to the Registrar of Companies in Edinburgh and registered by him on the first day of February nineteen hundred and fifty-one in terms of section 5 of the Companies Act 1948:

And whereas the uncalled capital of the company has been called up so that the issued share capital of the limited company is now one hundred thousand pounds divided into one hundred thousand shares of one pound each all of which shares have been issued and are fully paid up:

And whereas although technically a shareholders’ company the limited company is practically a mutual company in that of its issued share capital of one hundred thousand shares ninety-eight thousand six hundred and forty-two shares are held by the Holding Trust Limited one thousand two hundred by directors as qualification shares sixty-five by officials and other parties connected with the limited company and the small balance of ninety-three shares by untraced and missing members of the limited company further that in terms of the articles of association of the limited company it is provided that the dividend shall not exceed five per cent. upon the limited company’s paid up capital:

And whereas by a special resolution passed at an extraordinary general meeting of the members of the limited company

duly convened and held upon the fifth day of March nineteen hundred and twenty-six and confirmed at a subsequent extraordinary general meeting of the members of the limited company duly convened and held upon the twenty-sixth day of March nineteen hundred and twenty-six certain alterations were effected in the limited company's articles of association including the creation of voting policy-holders and the giving to such policy-holders of certain limited voting rights:

And whereas in terms of the articles of association of the limited company every voting policy-holder (that is every individual holding a participating policy on his own life for a sum of not less than one thousand pounds) is entitled to attend general meetings of the limited company and to vote on certain matters though such policy-holders are not entitled to vote on extraordinary or special resolutions:

And whereas it is expedient that the share capital of the limited company should be cancelled and that the incorporation of the limited company as a company limited by shares should be annulled that stock should be created in substitution for such cancelled share capital that the limited company should be incorporated so that the control and management of the limited company should be vested in the policy-holders as hereinafter provided and that the limited company should cease to be a company registered under the Companies Acts:

And whereas the purposes aforesaid 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 (that is to say):—

Short title.

1. This Act may be cited as the Scottish Mutual Assurance Society Act 1952.

Interpretation.

2. In this Act unless the context otherwise requires the following expressions have the meanings hereby assigned to them (that is to say):—

“ Bankruptcy ” includes liquidation ;

“ Company ” where not used in reference to the limited company includes any partnership or other body of persons corporate or not corporate in any part of the world ;

“ Directors ” means the ordinary directors of the Society at the head office ;

“ Existing ” means existing at the passing of this Act ;

“ General meeting ” means a general meeting of the members ;

- “ Head office ” means the head office of the Society ;
- “ Investigation date ” means the closing date of any period of investigation for the determination by the directors of the divisible profits of the Society during such period ;
- “ Land ” includes all heritable property messuages tenements hereditaments houses and buildings of any tenure ;
- “ Member ” means a member as defined in the regulations of the Society as subsisting from time to time ;
- “ Participating policy ” means a policy carrying a right to participate in the profits of the Society ;
- “ Person assured ” means the person by whom a policy of life assurance is effected with the Society ;
- “ Policy ” means the deed or document evidencing a contract of assurance or insurance by the Society or in respect of which the Society has undertaken liability for payment of any money on the happening of any contingency or event whether dependent on or connected with life or not ;
- “ Policy-holder ” means any person in whose favour a policy has been issued by the Society and is subsisting ;
- “ Record ” means the record or register of the stock ;
- “ Regulations ” means the regulations of the Society for the time being ;
- “ Seal ” means the common seal of the Society ;
- “ The secretary ” means the secretary of the Society and includes any other duly authorised officer at the head office acting as secretary ;
- “ Share ” means a share in the share capital of the limited company as incorporated under the Companies Acts 1862 to 1880 ;
- “ Shareholder ” means the holder of a share registered as such in the register of shareholders of the limited company ;
- “ The Society ” means the Scottish Mutual Assurance Society ;
- “ Stock ” means the stock substituted by this Act for the share capital of the limited company ;
- “ Stockholder ” means the holder of stock registered as such in the record of stockholders ;

3. From the passing of this Act the incorporation of the limited company as a company limited by shares shall be deemed to be annulled and all shares in the share capital of the ^{of share} _{capital.}

limited company shall be deemed to be cancelled together with all claims and rights attaching thereto and the limited company shall be dissolved.

Incorporation
of Society.

4. From the passing of this Act all persons assured under existing policies and all other persons who shall thereafter become members of the Society in accordance with the regulations of the Society so long as they respectively continue to fulfil the conditions of membership as prescribed by such regulations shall be and are hereby incorporated by the name and designation of "the Scottish Mutual Assurance Society" and by that name shall be a body corporate with perpetual succession and the right to a common seal and with power from time to time to change and renew the same and with power to sue and with power for the purposes of this Act to acquire hold lease and dispose of land and other property in any manner in any part of the world and with such constitution objects and powers as are contained in this Act and subject to such regulations for the government of the Society and the management of its business and the conditions of membership and other matters as are contained in this Act and the First Schedule to this Act or as such regulations may from time to time be lawfully altered.

Assignees etc.
not members.

5. No person entitled to or in right of any policy in consequence of any assignation or other transmission or devolution whether by deed or operation of law shall thereby become a member of the Society.

Vesting in
Society of
existing
property of
limited
company.

6.—(1) All property heritable and movable real and personal of what kind or nature soever including all interests and rights into and out of property heritable and movable real and personal and all debts and obligations (including all guarantees granted in favour of the limited company) which immediately before the passing of this Act were held by or vested in the limited company or held by or vested in the manager or trustees or any other persons for behoof of or in trust for the limited company whether the trust for the limited company be or be not expressed on the face of the deed or writing constituting the title thereto shall on the passing of this Act and without any other requisite pass to and vest in the Society as incorporated by this Act for all the estate and interest therein of the limited company as existing immediately prior to the passing of this Act and all persons holding the title to or legal estate in any such property debts and obligations shall be bound to execute at the request and expense of the Society all such transfers conveyances deeds and writings as the Society may desire them to execute with reference thereto.

(2) Without prejudice to the provisions contained in the immediately preceding subsection all securities created by and property comprised in any bonds mortgages conveyances dispositions in security and other deeds and writings which at any time prior to the passing of this Act were taken and held in the name of the manager for the time being or any of the ordinary directors for the time being of the limited company or any of the trustees of the limited company or otherwise expressly in trust for the limited company shall on the passing of this Act be vested in and shall belong to and be receivable recoverable and enforceable by the Society as incorporated by this Act without the necessity of any transfer conveyance or other continuing or connecting title or separate investiture other than this Act.

(3) No further conveyance transfer or act writ or deed shall be necessary to complete the title to or effect the vesting of the Society in any property or obligation of any kind which was formerly held by or on behalf of or which belonged to the limited company and has passed to the Society by virtue of the provisions of this Act and the production of a print of this Act shall be deemed to be sufficient to satisfy all parties interested of the vesting in the Society of all property and obligations formerly held by or on behalf of the limited company.

(4) In full of the stamp duties which would have been payable upon the deeds or instruments which would otherwise have been required to pass such property interests and rights debts and obligations in this section set forth to and to vest the same in the Society as incorporated by this Act and payable in respect of the vesting of such property interests and rights debts and obligations by virtue of this Act there shall be paid a stamp duty of five pounds and such duty shall be impressed upon a copy of this Act and the Society shall produce such stamped copy to the Commissioners of Inland Revenue within three months after the passing of this Act.

7. The objects of the Society are—

- (1) To carry on the business of insurance of every description and in particular and without prejudice to said generality to undertake grant or effect policies or other contracts in respect of—

(a) life assurance annuities endowments and other contracts depending upon the contingencies of human life and health including the happening of all or any of the following events namely the death or marriage or birth or survivorship or failure of issue of or the attainment of a given age by any person or persons or the expiration of any fixed or

Objects of
Society.

ascertainable period or the occurrence of any contingency or event which would or might be taken to affect the interest whether in possession vested contingent expectant prospective or otherwise of any person or persons in any property or the loss or recovery of contractual or testamentary capacity in any person or persons ;

(b) personal accident insurance in all its branches ;

(c) employers' liability insurance in all its branches including the indemnification of employers of labour and others against liability or loss proceedings costs or claims arising out of any accident or illness to any workman or other person employed in their services or to the property of any persons arising from any act default or omission of any workmen or other persons in the employ of the insured and that whether arising under any statute or otherwise ;

(d) fire insurance in all its branches ;

(e) burglary insurance in all its branches with the indemnification against injury or damage to or loss of property cash goods or effects directly or indirectly caused or resulting from burglary house-breaking theft larceny or otherwise ;

(f) motor insurance in all its branches and all risks in connection with motor vehicles motor boats and motoring generally ;

(g) aircraft insurance in all its branches and all risks losses or accidents whatsoever arising in connection with aircraft and travelling by air generally ;

(h) plate-glass insurance in all its branches ;

(i) live-stock insurance over horses cattle and all other live-stock of every description against injury or death from any cause and from all other risks ;

(j) carriage and vehicular insurance of every description against damage loss or destruction and all other risks ;

(k) marine insurance in all its branches ;

(l) transit insurance in all its branches whether by sea land or air ;

(m) crops insurance upon and in respect of crops grain and fruits of every description whether growing or severed against loss destruction or injury by fire flood lightning or tempest ;

- (n) goods insurance including cash and all other kinds of property or effects against injury damage loss or destruction resulting from any cause whatsoever accidental or otherwise ;
- (o) third party insurance in all its branches ;
- (p) reinsurance business of or in connection with all or any risks within the scope of insurance business of the Society and that directly or indirectly :
- (2) To carry on the business of purchasing life interests reversions and of advancing money upon the security thereof :
 - (3) To carry on the business of contracting with leaseholders borrowers lenders and others for the establishment of redemption renewal sinking special or other funds :
 - (4) To carry on the business of fidelity guarantee and every kind of indemnity and including the granting of bonds of caution or indemnity in connection with executries administration curatories trust estates judicial factories or other descriptions of trusts and to guarantee the payment of any moneys on the performance of any contracts or obligations of any company or person :
 - (5) To carry on the business of executor trustee factor manager or receiver or any other similar office or position of trust or confidence for remuneration and to perform and discharge the duties and functions incident thereto and to transact all kinds of trust business :
 - (6) To carry on agency business of all kinds :
 - (7) To carry on the business of underwriting or guaranteeing the subscription of any stocks funds shares debentures debenture stock mortgages bonds or securities and of subscribing for the same conditionally or otherwise :
 - (8) To carry on any other business or businesses similar to any of the foresaid businesses or usually carried on in connection therewith or as a branch thereof and which may seem to the Society capable of being advantageously carried on in connection with the foregoing objects or calculated to develop and enhance the value of or render profitable directly or indirectly any properties assets rights or interests of the Society :
 - (9) To carry on all or any of the Society's businesses in any part of the world.

owers of
ociety.

8. The Society without prejudice to all other powers competent to it by virtue of its incorporation under this Act shall have power in aid of its objects and for the purposes thereof—

- (1) to invest and deal with the moneys of the Society upon such securities as the directors shall think fit including (but without prejudice to the generality of the foregoing words) to purchase or otherwise acquire hold and deal in any shares debentures stocks bonds scrip or other securities not involving unlimited liability issued by any company or association or any supreme municipal local or other authority whether in the United Kingdom or in any overseas country or place and to subscribe and pay for on such terms and conditions as may be thought fit any such shares debentures stocks bonds scrip or other securities:
- (2) to purchase feu excamb lease hire or otherwise acquire any estate heritable or movable real or personal and without prejudice to such generality any lands property buildings servitudes leases rights privileges concessions machinery apparatus plant stock-in-trade of any kind necessary or convenient to the business of the Society or which the Society may think desirable:
- (3) to develop the property of the Society in any manner thought fit and to construct alter remove or replace any buildings erections structures and carry out works of any description or to contribute to the costs thereof as may seem desirable in the interests of the Society:
- (4) to employ experts to investigate and examine into the condition prospects value character and circumstances of any business concerns and undertakings and generally of any assets property or rights:
- (5) to acquire the whole or any part of or any interest in the business goodwill shares and assets of any person firm or company carrying on or proposing to carry on any of the businesses which the Society is authorised to carry on or whose business or any part thereof may be conveniently combined with the Society's business and as part of the consideration for such acquisition to undertake all or any of the liabilities of such person firm or company or similar business to accept by way of consideration for any of the acts or things aforesaid or for any property acquired any shares debentures debenture stock or securities that may be agreed upon and to hold and retain or sell mortgage and deal with any shares debentures debenture stock or securities so received:
- (6) to enter into any partnership or make and carry into effect arrangements with respect to sharing profits joint

adventure co-operation limiting competition reciprocal concession mutual assistance union of interests or otherwise with any persons firms companies or associations having objects similar to or kindred with any of the objects of the Society :

- (7) to arrange for the business or any part of the business of the Society being carried on or managed jointly along with the business or any part of the business of any other company society or association carrying on business similar to the Society or within the objects of the Society and that either by amalgamation or fusion of interests or by the taking over or purchase of shares stock or securities or of the business property and assets or any part thereof of such other company society or association or by the sale or transfer to such other company society or association of the business property and assets of the Society or any part thereof or in partnership or under any other arrangement but always in terms of the provisions and subject to the conditions and requirements of the Assurance Companies Acts 1909 to 1946 or statutes amending the same regulating such amalgamations transfers or other arrangements :
- (8) to promote or incorporate any other company either public or private for the purpose of acquiring holding managing or developing all or any part of the property investments assets and business of the Society and undertaking all or any of the liabilities of the Society or of undertaking any business or operations which may appear likely to assist or benefit the Society or to enhance the value of any property investments assets or business of the Society and to subscribe acquire underwrite or place or assist in placing the whole or any part of the shares or securities of such company :
- (9) to subscribe for acquire and hold sell mortgage or deal with the shares stock bonds debentures or securities of or in any company or body (whether such shares or securities be fully paid or not) where the so doing may seem desirable in the interests of the Society :
- (10) to give to any class or section of those who insure or have other dealings with the Society any rights over or in relation to any fund or funds or a right to participate in the profits of the Society or in the profits of any particular branch or part of its business or any other special privileges advantages or benefits :
- (11) to pay satisfy or compromise any claims made against the Society in respect of any policies or other contracts

granted by dealt in or entered into by the Society which claims the Society may deem it expedient to pay satisfy or compromise notwithstanding that the same may not be valid in law or that there may be a defect in the title of the claimant and to revive any policy that may have lapsed or become void on such terms and conditions and in such cases as may be deemed expedient or in lieu of reviving any such policy to grant any new policy or make any other concession in favour of the person or any of the persons entitled to the lapsed or void policy:

- (12) to pay for any business undertaking property or rights heritable or movable or services acquired by or rendered to the Society generally on such terms as the directors may determine:
- (13) to accept payment for any rights or assets or property sold or otherwise disposed of or dealt with by the Society either in cash by instalments or otherwise or in shares of any company or corporation with or without deferred or preferred rights in respect of dividend or repayment of capital or otherwise or by means of any security or mortgage of any person firm company or corporation or partly in one mode and partly in another and generally on such terms as the directors may determine:
- (14) to lend money on any terms that may be thought fit and particularly to members or other persons having dealings with the Society:
- (15) to sell feu lease transfer exchange or otherwise dispose of the whole undertaking business goodwill property rights and assets of the Society or any part thereof for such consideration as the Society may think fit and in particular for cash shares stock debentures debenture stock securities or property or assets of any other company constituted or to be constituted:
- (16) to borrow or raise money by the issue or execution of bonds and dispositions in security dispositions or assignments ex facie absolute or in trust mortgages charges debentures or other securities of or over all or any part of the assets and property of the Society heritable or movable or by the issue of or upon bills of exchange promissory notes bills of lading warrants or other obligations of or in favour of the Society or in such other manner as the Society may think fit:
- (17) to receive money on deposit at interest or otherwise:

- (18) to distribute among the members of the Society in specie any property of the Society and in particular any shares debentures debenture stock or securities of other companies belonging to the Society or of which the Society may have the power of disposing:
- (19) to draw make accept endorse discount execute and issue bills of exchange bills of lading promissory notes warehouse dock and other warrants and other instruments so as to be negotiable or transferable by delivery or to order or otherwise:
- (20) to effect insurances of any kind against risk of loss by the Society and to pay the premiums thereon and to act as insurance agents:
- (21) to establish branches and agencies in the United Kingdom or abroad and to regulate and discontinue the same:
- (22) to adopt such means as may seem expedient of making known the business of the Society and in particular by advertising in the press by circulars and placards and by taking part in exhibitions:
- (23) to provide for the welfare or support of and make gifts and grant bonuses allowances and pensions to officers and other employees or ex-employees (including managing or other whole-time directors) of the Society or the wives widows children dependants and connections of such persons to make payments towards insurance and to subscribe or guarantee money for charitable or benevolent objects:
- (24) to adopt such means as may seem expedient for the protection of or the resisting of interference with the business of the Society or the business of insurance generally and that either alone or in conjunction with others and through associations of insurance companies or other representative bodies or otherwise and to trade associations or exhibitions or for any public general or useful object:
- (25) to acquire or obtain from any government or authority supreme municipal local or otherwise or any corporation company or person any charters contracts decrees rights privileges and concessions which may be conducive to any of the objects of the Society and to accept make payments under carry out exercise and comply with any such charters contracts decrees rights privileges and concessions:

- (26) to procure that the Society be registered or recognised in any country state or place abroad 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 country state or place abroad and to establish or guarantee local 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 :
- (27) to remunerate officers and other employees of the Society and others out of or in proportion to the returns or profits of the Society or otherwise as the Society shall think fit and to promote and give effect to any scheme or arrangement for sharing profits with employees :
- (28) to apply for and obtain any Act of Parliament Provisional Order or other legal or legislative sanction for enabling the Society to carry any of its objects into effect or for effecting any modification of the Society's constitution or for any other purpose which may seem expedient and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Society's interests and to pay the costs and expenses incurred in connection with the promotion of any such Act or Order applications for any such legal or legislative sanction and opposition to any such proceedings or applications and that whether the same shall be successful or unsuccessful :
- (29) to pay all costs charges and expenses incidental to or connected with the formation and incorporation of the Society and purchase of the assets acquired or to be acquired for the purposes of the Society and the carrying any of its objects into effect including those connected with the dissolution of the limited company or to contract for the payment of the same in whole or in part by others :
- (30) to do all or any of the above things in any part of the world and either as principals agents trustees or contractors and either alone or in conjunction with others and either by or through agents sub-contractors trustees or otherwise :
- (31) to do all such other things as are incidental or conducive to the attainment of the above objects or any of them.

9. No member of the Society shall be liable for any debts due or to become due by the Society or for any sums that shall become due by the Society in virtue of any policy granted by the Society and all creditors and other persons having claims against the Society shall only be entitled to make such claims effectual against the proper funds of the Society and shall in no case or event whatever be entitled to make any demand or claim for or on account of the sums due against any member of the Society and it shall not be competent to nor in the power of the Society or the directors or other persons on any account or occasion whatsoever to make any call upon any member of the Society or other person for any sum of money in addition to the contributions payable by such member or other person under the policy or policies forming the basis of membership of the Society without the consent of such member first had and obtained.

Members not to be personally liable.

10.—(1) In lieu of the share capital of the limited company cancelled in accordance with the foregoing provisions of this Act there shall be deemed to have been validly created and to have been in existence at the passing of this Act a total aggregate amount of one hundred thousand pounds fully paid stock of the Society and such stock shall confer on the holders thereof the rights and privileges and be issued subject to the terms and conditions hereinafter mentioned and every person who immediately prior to the passing of this Act was a holder of a share of one pound in the share capital of the limited company shall on and from the passing of this Act be deemed to have become and be in respect of such share a holder of such fully paid stock of the Society of the nominal amount of one pound.

Issue of stock in lieu of share capital.

(2) The stock substituted under the provisions of this Act for the shares in the cancelled share capital of the limited company shall be movable or personal estate and shall to all intents and purposes be subject and liable to the same trusts powers provisions declarations agreements charges liens and encumbrances as immediately before the passing of this Act affected the shares of one pound each for which the stock is substituted and every deed or other instrument (including mandates for payment of dividends) or any will or other disposition of or affecting the shares of one pound each in the cancelled share capital of the limited company and the dividends payable thereon shall take effect with reference to the stock substituted therefor and the interest payable thereon.

(3) Trustees executors and all other holders in a representative or fiduciary capacity of shares of one pound each in the cancelled share capital of the limited company may and shall accept the stock substituted therefor under the provisions of this Act and may hold dispose of or otherwise deal with such stock in

all respects as they might have held disposed of or otherwise dealt with the shares of one pound each in the cancelled share capital of the limited company for which the same is substituted.

(4) The directors shall as and when they see fit issue certificates for the stock substituted under the provisions of this Act on such conditions as to evidence of title or otherwise in regard to the shares of one pound each in the cancelled share capital for which such stock is substituted under the provisions of this Act as they may determine.

(5) The directors shall cause to be made in the existing register of shareholders and in the record of stock and in the other record books and documents of the Society such entries and alterations as may be necessary to carry into effect the provisions of this Act and thereupon such register of shareholders shall be deemed to be finally closed.

(6) Notwithstanding the provisions of this section all transfers and other dispositions of shares of one pound each in the cancelled share capital not completed prior to the passing of this Act shall subject to the provisions of this Act be valid and have due effect given to them as transfers or dispositions of the stock which under the provisions of this Act is substituted for the shares of one pound each in the cancelled share capital thereby transferred or disposed of.

Interest on
stock.

11.—(1) The stock shall carry interest as from the first day of January one thousand nine hundred and fifty-two at the rate of five pounds per centum per annum payable exclusively out of the divisible profits of the Society.

(2) Such interest shall be cumulative and shall be a first charge on such divisible profits as the same from time to time may be determined by any investigation in accordance with the provisions of the Assurance Companies Acts 1909 to 1946 and so long as the Society is a going concern so that if at any investigation date the divisible profits shall be insufficient for payment in full of the interest on the stock due on or prior to such investigation date the deficiency shall be made good out of the subsequent divisible profits.

(3) Until and including the first investigation date occurring after the passing of this Act the directors shall pay to the stockholders interest at the rate aforesaid on the first day of April in each year on account of the interest due to them out of the divisible profits as at such investigation date.

(4) Within the period between any two investigation dates the directors shall provided that the divisible profits declared as at the first of such investigation dates are sufficient for payment in full of the interest due on or prior to such investigation

date pay to the stockholders interest at the rate aforesaid on the first day of April in each year on account of the interest due to them payable out of the divisible profits at the end of such period.

(5) Interest on the stock for any one year shall be payable in priority to interest on the stock for any subsequent year.

(6) When all interest due on the stock at or prior to any investigation date has been paid in full the remaining profits declared as divisible as at such date may be distributed or otherwise dealt with in accordance with this Act or the regulations of the Society without any obligation upon the Society to set the same or any part thereof aside for the payment of subsequent interest on the stock.

(7) No interest shall be payable on interest in arrear.

12. In the event of the Society being wound up the stock shall immediately become payable and the holders of the stock at the commencement of the winding up shall in respect of such stock and all interest thereon accrued and unpaid up to the date of actual payment thereof rank as creditors *pari passu* on all the surplus funds and assets of the Society remaining after the claims of all other creditors due at the winding up shall have been discharged and after all claims present or prospective in respect of all policies issued by the Society shall have been satisfied or provided for and the balance of such surplus funds and assets shall thereafter be divisible among the life assurance policies entitled to participate in the divisible profits of the Society according to such equitable scheme for division thereof as may be settled by the President for the time being of the Faculty of Actuaries or an actuary of repute to be nominated by him.

Payment of
stock on
winding up.

13. The stock shall be deemed to be issued upon and subject to the following conditions:—

Conditions of
issue of stock.

(1) Every stockholder shall be entitled to a certificate under the seal of the Society stating the amount of stock held by him and every such certificate shall be in such form as the directors shall from time to time determine:

(2) A record of the stock shall be kept by the Society and there shall be entered in such record—

(a) the names and addresses and descriptions of the stockholders;

(b) the amount of the stock held by every such stockholder;

(c) the date at which the name of every such stockholder was entered in respect of the stock standing in his name and every part thereof:

- (3) Any change of name or address on the part of any stockholder shall forthwith be notified by him to the Society and on the directors being satisfied thereof the record shall be altered accordingly :
- (4) Save as in this Act otherwise provided the Society shall recognise the stockholder his executors or administrators as the absolute owner or owners thereof and all persons may act accordingly and save as in this Act otherwise provided and except as ordered by a court of competent jurisdiction or as by statute required the Society shall not be bound to take notice of any trust or equity affecting the ownership of the stock or the rights incident thereto and the payment to such stockholder his executors or administrators of the interest from time to time accruing due in respect thereof or of any moneys payable in respect of the same shall be a good discharge to the Society notwithstanding any trusts to which such stock may then be subject and whether or not the Society have had notice of such trusts and the Society shall not be bound to see to the application of the money so paid :
- (5) In case of the death of any one of the joint holders of any stock the survivors or survivor shall be the only persons or person recognised by the Society as having any title to or interest in such stock :
- (6) The executors or administrators of a deceased stockholder (not being one of several joint holders) shall be the only persons recognised by the Society as having any title to or interest in such stock :
- (7) A body corporate may be registered as a stockholder or as one of the joint holders of stock :
- (8) Every stockholder shall be entitled to transfer such stock or any part thereof not involving a fraction of one pound by transfer in the usual common form :
- (9) Every transfer shall be executed both by the transferor and transferee and the transferor shall be deemed to remain owner of such stock until the name of the transferee is entered in the record of stock in respect thereof :
- (10) Every transfer duly executed and stamped shall be left at the head office of the Society for registration accompanied by the certificate of the stock to be transferred and such other evidence as the directors may require to prove the title of the transferor or his right

to transfer the stock and upon registration the transferee shall be recognised as entitled to the stock free from any equity set-off or cross-claim of the Society against the transferor :

- (11) All registered transfers shall be retained by the Society :
- (12) A fee not exceeding two shillings and sixpence shall be charged for the registration of each transfer and shall if required by the directors be paid before the registration of the transfer :
- (13) No transfer shall be registered during the fourteen days immediately preceding the yearly date for the payment of interest on the stock or during such other periods as may be fixed by the directors :
- (14) Any person becoming entitled to stock in consequence of the death or bankruptcy of any stockholder or otherwise than by transfer in accordance with the provisions of this section upon producing such evidence that he sustains the character in respect of which he proposes to act under this provision or of his title as the directors shall think sufficient and paying a fee not exceeding two shillings and sixpence may be registered himself as the stockholder or subject to the preceding provisions as to transfer may transfer such stock :
- (15) The Society may retain the interest payable upon any stock which any person under the last preceding provision is entitled to transfer until such person shall be registered or duly transfer the same :
- (16) Unless otherwise directed by the stockholder the interest upon the stock may be paid by warrant sent through the post to the registered address of the stockholder or in the case of joint holders to the registered address of that one of the joint holders who is first named on the record in respect of such stock Every such warrant shall be made payable to the order of the person to whom it is sent and payment of the warrant shall be a discharge of the interest :
- (17) If several persons are entered in the record as joint holders of any stock then without prejudice to the last preceding provision the receipt of any one of such persons for the interest from time to time payable in respect of such stock shall be as effective a discharge to the Society as if the person signing such receipt were the sole stockholder :
- (18) A warrant shall be deemed to have been received by the stockholder or other person entitled thereto on the day upon which it is posted and in proving such receipt

it shall be sufficient to prove by a certificate under the hand of the secretary or other officer of the Society that the warrant was properly addressed and posted:

- (19) If a warrant be lost or destroyed then upon satisfactory evidence of its loss or destruction and upon such indemnity being given as the directors consider adequate the directors may issue a new warrant in lieu thereof:
- (20) Every warrant shall be deemed to be a cheque and the Society shall in relation thereto be deemed to be a banker within the Bills of Exchange Act 1882:
- (21) If any certificate of stock be worn out or defaced then upon production thereof to the directors they may cancel the same and may issue a new certificate in lieu thereof and if any certificate of stock be lost or destroyed then upon proof thereof to the satisfaction of the directors and upon such indemnity as the directors deem adequate being given a new certificate in lieu thereof may be issued to the person entitled to such lost or destroyed certificate. An entry as to the issue of a new certificate and indemnity shall be made in the record and there shall be paid to the Society in respect of any new certificate issued under this section such sum as the directors shall determine not exceeding the sum of two shillings and sixpence:
- (22) Any stockholder or member shall upon payment of such fee (not exceeding one shilling) as the directors shall from time to time fix be entitled at all reasonable times to inspect the record of the names and addresses and descriptions of the stockholders for the time being.

Purchase and
sale or
cancellation
of stock.

14. The Society shall be entitled at any time and from time to time to purchase the whole or any part of the stock either on the market or by private treaty provided that if in valuing its assets a value be placed on the stock held by the Society (including the stock substituted by this Act for the shares of the limited company on the passing of this Act) a special reserve fund shall be maintained of an amount at least equal to the value so placed on the stock. Any stock held or purchased by the Society may be sold suspended or cancelled but where stock has been suspended or cancelled the directors shall be entitled to reissue an equivalent amount of such stock at such times and at such prices and ranking *pari passu* with any stock still outstanding as the directors may decide.

Purchase of
stock of
missing share-
holders.

15. The Society shall further be entitled to purchase the stock of the missing shareholders of the limited company who have been untraced for more than twenty years and whose names or last known addresses and the number of shares held by them are

shown in the Second Schedule hereto The purchase price of such stock shall be the par value of the stock together with the sum of one pound fifteen shillings per one pound of stock (being the equivalent of the amounts which would have been paid to such missing shareholders respectively had they accepted the offer made to them on behalf of the Holding Trust Limited in nineteen hundred and twenty-four allowing for the increase on the par value of the shares which are now fully paid up) together with all unclaimed dividends subject to the deduction of all calls due by them to the limited company on their respective shares as the amounts due to each of such missing shareholders respectively are shown in the said Second Schedule and together with the dividends due and to be declared on such shares in respect of the financial year of the limited company ending on the thirty-first day of December nineteen hundred and fifty-one The Society shall also pay interest on such stock at the rate of five per cent. per annum from the thirty-first day of December nineteen hundred and fifty-one until payment of the purchase price The payment of the purchase price shall be satisfied by the Society placing the sum due to each missing shareholder respectively on deposit receipt with the chief office in Glasgow of the National Bank of Scotland Limited in name of the missing shareholder or his representatives and the deposit with the said bank of such sum shall be in full satisfaction to such persons or their representatives of their whole rights as to principal and interest and past and future dividends on such stock The Society shall also be entitled by resolution of its directors to authorise one of its officers to execute a transfer of such stock in favour of the Society and thereafter such shareholder or his representatives shall have no claim in any manner of way against the Society or its officers in respect of said shares or stock as the case may be and thereafter neither he nor any other person shall be entitled to question the validity of the proceedings or to challenge the Society's title to the said stock.

16. Before any profits are allocated to or divided among the participating policies or any class of such policies as after provided the directors may from time to time set aside such sums as they think fit for the maintenance or increase of existing reserve funds or for the formation maintenance or increase of additional reserve funds for such purposes as the directors think fit and the directors may as they think fit from time to time deal with and apply any such reserve funds or any part thereof for any such purposes. Reserve funds.

17. In ascertaining the amount of the divisible profits of the Society the directors may adopt such methods and bases of valuation of the assets and liabilities of the Society as they think fit and after setting aside any sums to reserve funds as provided in section 16 of this Act the directors shall declare the amount Valuation for and declaration of divisible profits.

of the divisible profits of the Society and the rate or rates of bonus in respect of participating policies after allowing for such sums as they think fit to be carried forward and the declaration of the directors as to the amount of such divisible profits and such rate or rates of bonus shall be final and conclusive against all parties.

Division of profits.

18. Subject to the rights of the stockholders as hereinbefore provided the directors may from time to time make such rules as they in their absolute discretion may think fit for the purpose of allocating the divisible profits of the Society among the participating policies or any class of such policies by way of bonus or otherwise and that either equally or otherwise and also of allowing any policies or class of policies which have been or shall be effected with the Society to participate in such divisible profits or for the purpose of allowing in respect of any policies or class of policies whatsoever any right privilege advantage or benefit and that to such extent and subject to such conditions as the directors shall think fit for encouraging the business of the Society.

Declaration of intermediate bonuses.

19. The directors may from time to time declare such sums by way of intermediate bonus as they may consider to be justified by the position of the Society.

Allocation of expenses of Society.

20. The directors may determine from time to time what proportion of the whole expenses of the Society shall be charged against each of the separate classes or branches of the Society's business respectively and their determination shall be final and conclusive.

No policy deemed to be effected until payment of premium.

21. No person effecting any policy with the Society shall be considered as assured by the Society until he has paid the first premium or other contribution due under such policy and that irrespective of whether or not the policy shall have actually been written and executed on behalf of the Society.

Policies liable for claims against members etc.

22. All moneys due or payable under any policy to any member of the Society or other person together with the policy itself shall be subject to a lien or right of retention in favour of the Society in security of any indebtedness owing by such member or other person to the Society and of the discharge of all pecuniary obligations undertaken by such member or other person to the Society and the directors may sell surrender or otherwise dispose of any such policy with all rights pertaining thereto in such manner and at such time as they shall think fit but no such sale surrender or other disposal shall be made until notice in writing of their intention shall have been served on such member or other person or the executors or administrators or

other representatives or assignees of such member or other person and default shall have been made in the payment or discharge of such indebtedness or other obligations for twenty-one days after such notice and the net proceeds of any sale surrender or other disposal shall be applied in or towards the discharge of such indebtedness or other obligations and the residue if any shall be paid to such member or other person or the executors administrators or other representatives or assignees of such member or other person but whenever an assignation in favour of a third party has been intimated to the Society no debt subsequently contracted to the Society by such member or other person granting such assignation shall compete with the same.

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

24. Where any policy is subject to any trust whether express implied or constructive the Society may pay any sum in respect thereof to the trustees thereof whose receipt shall be a complete and sufficient discharge to the Society for the same notwithstanding any claim or demand whatsoever of any other person entitled thereto and the Society shall not be bound to see to the application of the moneys paid on any such receipt. Society may pay on receipt of trustees.

25.—(1) Where any sum is payable by the Society in respect of any policy the Society may pay such sum to any person tendering a receipt (either endorsed on or separate from the policy) signed or purporting to be signed by the person entitled to receive such sum in the presence of one witness and such receipt shall be in such form as may be approved by the directors and shall be a complete and sufficient discharge to the Society. Discharge of sums payable under policies.

(2) The directors may in their discretion pay such sum before it becomes payable in terms of the policy upon such terms as they think fit.

(3) Confirmation issued by any competent court in Scotland in favour of the executors of a deceased person and probate or letters of administration or other grant of representation issued by any competent court in England Wales or Northern Ireland in favour of the executors administrators or other representatives of a deceased person shall be to the Society for all purposes a good and sufficient title in favour of such executors or of such executors administrators or other representatives as the case may be.

(4) Where any sum is payable by the Society in respect of any policy of life assurance to the legal representatives of any person by whom the policy was effected who has died domiciled elsewhere than in the United Kingdom the directors may if they think fit pay such sum to such legal representatives on production at the office of the Society where such sum is payable of the confirmation or probate of the will of such person deceased or letters of administration or other grant of representation of his estate whether obtained in the United Kingdom or in any British dominion colony or dependency or of other evidence satisfactory to the directors that the persons claiming such sum are the legal representatives of such person deceased and that in whatsoever country such policy may have been issued or such sum may be payable or such person deceased may have been domiciled and the receipt of such legal representatives shall be a complete and sufficient discharge to the Society and the Society shall not be bound to see to the application of the moneys paid on any such receipt.

(5) The production to the Society of any document which is by law sufficient evidence of probate of the will or letters of administration of the estate or confirmation as executor of a deceased person having been granted to some person shall notwithstanding anything in this Act contained be accepted by the Society as evidence of the grant.

Head office.

26. The head office shall be in Glasgow unless and until otherwise determined by special resolution of the Society.

Present directors to continue in office.

27. The first directors of the Society shall be the directors of the limited company who shall be in office on the passing of this Act and who shall continue in office until they retire in rotation as provided by the regulations of the Society unless they shall sooner die resign become disqualified or be removed from office.

Present auditor to continue in office.

28. The auditor of the limited company who shall be in office on the passing of this Act shall continue in office until the first annual general meeting to be held thereafter unless he shall sooner die resign become disqualified or be removed from office.

Auditors' qualifications.

29.—(1) A person shall not be qualified for appointment as auditor of the Society unless he is a member of one or more of the following bodies:—

The Institute of Chartered Accountants of Scotland ;

The Institute of Chartered Accountants in England and Wales ;

The Society of Incorporated Accountants and Auditors ;

The Association of Certified and Corporate Accountants ;

The Institute of Chartered Accountants in Ireland.

(2) None of the following persons shall be qualified for appointment as auditor of the Society:—

- (a) a director officer or other employee of the Society ;
- (b) a person who is a partner of or in the employment of a director or an officer or other employee of the Society ;
- (c) a body corporate.

(3) A person shall also not be qualified for appointment as auditor of the Society if he is by virtue of the last foregoing subsection disqualified for appointment as auditor of any other body corporate which is the Society's subsidiary or would be so disqualified if the body corporate were a company.

(4) Notwithstanding anything in the foregoing provisions of this section a Scottish firm shall be qualified for appointment as auditor of the Society if but only if all the partners are qualified for appointment as auditor thereof.

30. All officers and other employees of the limited company who shall be in office on the passing of this Act shall continue to hold and enjoy their respective offices and employments with the Society and shall be subject and liable to the like conditions obligations and penalties and to the like powers of removal and to the like rules restrictions and regulations in all respects as if they had been appointed under this Act.

Present officers
to continue in
office.

31. All acts done by directors or by a committee of directors or by a local board or by any person acting as a director or as a member of a committee of directors or as a member of a local board 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 members of a local board or any such person acting as a director or as a member of a committee of directors or as a member of a local board 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.

Informalities in
appointment.

32. Every director trustee officer and other employee of the Society shall be indemnified by the Society against and it shall be the duty of the directors out of the funds of the Society to pay all costs losses and expenses which any such director trustee officer or other employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such director trustee officer or other employee or in any way in the discharge of his duties.

Indemnity.

Individual
responsibility.

33. No director trustee officer or other employee of the Society shall be liable for the acts receipts neglects or defaults of any other director or trustee or of any officer or other employee of the Society or for joining in any receipt or other act for conformity or for any loss or expense happening to the Society through the insufficiency or deficiency of title to any property acquired by or by order of the directors for or on behalf of the Society or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Society shall be invested or for any loss or damage arising from the bankruptcy insolvency or wrongful act of any person with whom any moneys securities or effects shall be deposited or for any loss or damage occasioned to the Society by any error of judgment or oversight on his part in connection with the business of the Society.

Change of
name.

34. The Society may from time to time by special resolution change its name but no such change shall be effective until it is advertised in the Edinburgh Gazette in the London Gazette and in the Belfast Gazette and no such change of name shall affect any rights or obligations or render defective any legal proceedings instituted or to be instituted by or against the Society and any legal proceedings may be continued or commenced against the Society by its new name that might have been continued or commenced against the Society under its previous name.

Regulations
of Society.

35. On the passing of this Act the regulations of the Society shall be as set forth in the First Schedule to this Act and the Society may at any time by special resolution as defined by this Act alter all or any of such regulations or add to or modify the same and any alteration or addition so made shall be as valid as if originally contained in such regulations and be subject in like manner to alteration by special resolution and so from time to time.

Special
resolution.

36. For the purposes of this Act a special resolution is a resolution of the Society passed by a majority of not less than three-fourths of such members as being entitled so to do vote at a general meeting of which not less than twenty-one days' notice specifying the intention to propose the resolution as a special resolution shall have been duly given.

Saving for
existing rights
and liabilities.

37. Except as in this Act otherwise provided everything before the passing of this Act done or suffered by or with reference to the limited company or the shareholders or the holders of policies issued by the limited company as such including all resolutions regulations and byelaws made by the limited company in general meeting or by the directors shall be as valid as if this Act had not been passed.

38. All policies bonds and other obligations and generally all debts and liabilities of whatsoever kind made granted issued incurred or undertaken by the limited company or by the directors or officers thereof or by any other person in name and on behalf of the limited company and valid and subsisting against the limited company on the passing of this Act shall be and are hereby declared to be valid and subsisting against the Society as if the same had been made granted issued incurred or undertaken by the Society under the authority of this Act and all existing policies shall entitle the holders thereof to the same benefits and remedies secured by the terms of such policies as they would have had if this Act had not been passed.

Saving for existing policies etc.

39. Nothing in this Act shall cause the abatement discontinuance or determination of or in anywise prejudicially affect any action suit reference arbitration or other proceeding commenced by or against the limited company either solely or jointly with any other company or person before and pending on the passing of this Act but the same may be prosecuted enforced and carried out by or against the Society either solely or as the case may be jointly with such other company or person to the same extent as the same might have been prosecuted enforced and carried out by or against the limited company if this Act had not been passed but not further or otherwise.

Saving for pending actions.

40. All causes and rights of action suit reference arbitration or other proceeding which shall have accrued before and shall be in any manner enforceable by or for or against the limited company on the passing of this Act shall be and remain as good valid and effectual by or for or against the Society as they would or might have been by or for or against the limited company if this Act had not been passed.

Saving for existing rights of action.

41. All books documents and writings of or relating to the limited company which on the passing of this Act would have been receivable in evidence shall continue to the like extent to be admitted as evidence in all courts and elsewhere.

Books etc. continued evidence.

42. Any register index minute book or book of account required by this Act or any other Act to be kept by the Society may be kept either by making entries in bound books or by recording the matters in question in loose leaf books or in any other manner but where any such register index minute book or book of account is not kept by making entries in a bound book but by some other means adequate precautions shall be taken for guarding against falsification and for facilitating its discovery.

Form of books and registers etc.

Power to wind
up.

43. If at a special general meeting called for the purpose a requisite majority of the members of the Society shall desire that the Society shall be wound up and its assets distributed then provided that no question arises of the insolvency of the Society or of its inability to meet its obligations the Society may be wound up voluntarily in pursuance of a special resolution to that effect passed at a subsequent special general meeting of the members of the Society to which the following special provisions shall apply:—

- (1) At least three months' notice of the proposed meeting shall be given which notice shall be given by advertisement in the requisite newspapers as provided in the regulations of the Society for the time being. The notice shall be inserted in each paper from time to time on not less than four occasions the first not less than three months the second not less than two months the third not less than one month and the fourth not less than one week before the date of the proposed meeting:
- (2) Attached to the notice there shall be a statement subscribed by the chairman the manager and the actuary of the Society to the effect that the Society is solvent and able to meet all claims against it:
- (3) The notice shall further contain a resolution for the appointment of two or more persons as liquidators of the Society:
- (4) The quorum at the proposed meeting shall be not less than fifty members personally present and entitled to vote in respect of policies on their own lives participating in profits in respect of sums assured amounting between them in all to not less than one hundred thousand pounds exclusive of bonus additions:
- (5) There shall be produced at the meeting a declaration dated not more than one month before the meeting subscribed by a majority and quorum of the directors and countersigned by the manager and the actuary of the Society to the effect that they have made a full inquiry into the affairs of the Society and that after computing the liabilities of the Society including all contingent and prospective liabilities they have formed the opinion that the assets of the Society exceed its liabilities and that the Society is solvent and is able to pay all its debts in full within twelve months from the commencement of the winding up and thereafter to satisfy or provide for all claims present or prospective in respect of all policies issued by the Society.

44. The voluntary winding up shall be deemed to commence at the time of the passing of the resolution to wind up and the liquidators of the Society shall within fourteen days of the passing of the resolution give notice of the resolution in the Edinburgh London and Belfast Gazettes and thereafter the winding up shall be conducted in the manner provided by and be subject to the provisions of the Companies Act 1948 or statutes amending the same in the same manner and to the same effect as if the Society was a company incorporated and registered under that Act but subject always also to the provisions of the Assurance Companies Acts 1909 to 1946 or any Act amending the same. Proceedings on winding up.

45. Upon the winding up of the Society the funds of the Society shall be applied in— Application of assets.

- (1) the payment of the expenses of the winding up ;
- (2) the payment of all debts due by the Society according to their various priorities ;
- (3) the payment of or provision for all claims present or prospective in respect of all policies issued by the Society ;
- (4) the payment of all stock of the Society then outstanding together with interest thereon up to the date of the liquidation ;

Thereafter the balance of all surplus funds and assets shall be divisible among the life assurance policies entitled to participate in the divisible profits of the Society according to such equitable scheme for division thereof as may be settled by the President for the time being of the Faculty of Actuaries or an actuary of repute to be nominated by him.

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

47. Nothing in this Act shall be deemed to exempt the Society from the provisions of the Assurance Companies Acts 1909 to 1946 or from the provisions of any general Act passed during the present or any future session of Parliament affecting assurance companies formed previously to the passing thereof. General Acts to apply.

48. All costs charges and expenses preliminary to and of and incident to the preparing for obtaining and passing of this Act or otherwise in relation thereto shall be paid by the Society. Costs of Act and preliminary thereto.

SCHEDULES

THE FIRST SCHEDULE

REGULATIONS OF THE SOCIETY

MEMBERS

- Members. 1. The members of the Society shall consist of all persons assured either on or after the passing of this Act.
- Commencement of membership. 2. Membership of every person assured after the passing of this Act shall commence from the date of payment of the first premium or other contribution due under the policy.
- Duration of membership. 3. Membership of a person assured shall subsist so long as the conditions of the policy and of these regulations respectively are fulfilled.
- Determination of membership of persons assured. 4. Membership of a person assured shall cease and determine upon (1) the occurrence of the event or contingency upon which the benefit of the policy arises (2) the occurrence of any event or contingency upon which the policy lapses but so nevertheless that in the event of the policy being revived in accordance with the conditions thereof and of these regulations his membership shall likewise revive (3) the surrender of the policy (4) the assignment of the policy absolutely.
- Members qualified to vote. 5. Save as hereinafter specially provided only members who are persons assured under a policy or policies on their own lives participating in profits in respect of sums assured of not less than one thousand pounds exclusive of bonus additions shall be qualified and entitled to act and to vote at general meetings of the Society.

GENERAL MEETINGS

- General meetings. 6. General meetings of the Society shall be held from time to time as may be necessary in the interests of the Society in Glasgow or at such other place as the directors shall decide.
- Annual general meeting. 7. The Society shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year and shall specify the meeting as such in the notices calling it and not more than fifteen months shall elapse between the date of one annual general meeting of the Society and that of the next. The annual general meeting shall be held at such time and place as the directors shall appoint.
8. All general meetings other than annual general meetings shall be called special general meetings.
- Business at annual general meeting. 9.—(1) All business shall be deemed special that is transacted at a special general meeting and also all that is transacted at an annual general meeting with the exception of the consideration of the accounts balance sheets and the reports of the directors and auditors the election of directors in the place of those retiring and the appointment or reappointment of and fixing of the remuneration of the auditors.

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

1ST SCH.
—cont.

10.—(1) The directors may whenever they think fit call a special general meeting and may submit to such general meeting any business they consider to be in the interests of the Society.

Special general meetings.

(2) Upon the requisition of not less than twenty members qualified to vote in respect of policies on their own lives participating in profits in respect of sums assured amounting between them in all to not less than fifty thousand pounds exclusive of bonus additions the directors shall forthwith proceed to call a special general meeting to be held within twenty-eight days after the deposit of such requisition. Such requisition shall be in writing signed by the requisitionists and shall be deposited at the head office of the Society and shall specify the particular business for which such general meeting is to be called and the directors shall not call such general meeting unless this provision is strictly and fully complied with.

(3) In the event of the directors refusing or neglecting to call a special general meeting when required to do so by requisition in manner hereinbefore provided then the requisitionists may call such general meeting but any general meeting so called shall not be held after three months from the date of the deposit of such requisition.

(4) A special general meeting shall not proceed to any business other than the business for which such general meeting shall have been called.

NOTICE OF GENERAL MEETINGS

11.—(1) Notice of the holding of any annual or special general meeting specifying the place day and hour of meeting and in the case of special business the nature of the business shall be given by advertisement in one or more of the Glasgow newspapers and in one or more of the Edinburgh newspapers and in one or more of the London newspapers and in one or more of the Belfast newspapers not later than twenty-one days before such general meeting. The notice shall be exclusive of the day on which the advertisement appears and of the day of the meeting.

Notice of general meeting.

(2) In every notice or advertisement calling a meeting of the Society there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy.

(3) Where the meeting is to be called to consider a special resolution there will be included in the notice of the meeting either the actual resolution proposed to be passed or sufficient specification to show the effect of the proposed resolution and a statement that the actual resolution proposed can be inspected at the head office and every branch office of the Society within the United Kingdom.

PROCEEDINGS AT GENERAL MEETINGS

12.—(1) The chairman if any of the board of 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

Chairman of general meeting.

1ST SCH.
—cont.

minutes after the time appointed for the holding of the meeting or is unwilling to act the directors present shall elect one of their number to be chairman of the meeting.

(2) If at any 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 and qualified to vote shall choose one of their number to be chairman of the meeting.

Vote of
chairman of
general meeting.

13. In the case of an equality of votes whether on a show of hands or on a poll the chairman of the meeting shall be entitled to a second or casting vote in addition to any other vote or votes to which he may already be entitled.

Quorum of
general meeting.

14.—(1) Nine members personally present and qualified to vote shall constitute the quorum of a general meeting.

(2) If within fifteen minutes after the time appointed for the holding of a general meeting a quorum is not present the meeting if convened upon the requisition of members shall be dissolved. In any other case no business shall be transacted other than the election or re-election of directors the appointment or reappointment of the auditors and the fixing of the remuneration of the auditors if these are objects of the general meeting and such general meeting shall without further notice be adjourned to the same day in the next week at the same hour and place and if at such adjourned general meeting a quorum is not present those members present and entitled to vote shall be deemed to be a quorum and may transact the business for which the general meeting was called.

Adjourned
general
meetings.

15.—(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 other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

(2) At an adjourned general meeting the chairman of the general meeting from which such adjournment took place if present and willing to act shall continue in the chair but if not present or if not willing to act a new chairman shall be nominated or elected in accordance with the provisions of these regulations.

Passing of
resolutions at
meetings.

16. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands) a poll is demanded by the chairman or by at least three persons present in person or by proxy. 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 book containing the minutes of the proceedings of the Society shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

17. 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 as the chairman of the meeting directs. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

1ST SCH.
—cont.

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

VOTES OF MEMBERS

19. At a general meeting every member present in person and qualified to vote shall have one vote on a show of hands. On a poll every member present in person or by proxy and qualified to vote shall have one vote. Votes of members.

20. Where two or more persons are the persons assured under any participating policy the person or surviving person for the time being first named in the policy shall be treated by the Society as regards the right to attend act and vote at meetings of the Society as if he were the sole person assured under the policy. Votes of joint persons assured.

21. A corporation being a member of the Society may by resolution of its directors authorise any of its officials to act as its representative at any general meeting of the Society and such person so authorised shall be entitled to attend every general meeting and shall be entitled to exercise the same powers on behalf of such corporation as if he were himself a member of the Society except that he shall not be entitled to vote. Corporation representative.

22. A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy may vote by his committee receiver curator bonis or other person in the nature of a committee receiver or curator bonis appointed by that court. Lunatic's vote.

23. No person shall be entitled to vote at any general meeting unless the policy or policies in respect of which he claims to vote shall be in force. Disqualification from voting.

24. Any member wishing to vote at any general or special meeting of the Society must produce at such meeting if called on to do so the receipt or receipts for the last premium or premiums due upon the policy or policies in respect of which he claims to vote in order to prove that such policies are in force. A member claiming to vote by proxy in respect of any policy or policies must either send in with his form of proxy the receipt or receipts for the last premiums due on such policy or policies or must procure that such receipt or receipts are produced by his proxy or proxies at the meeting.

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

1ST SCH.
—cont.

26. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation either under seal or under hand of an officer or attorney duly authorised and shall specify the policy or policies in respect of which the appointee claims to vote. A proxy need not be a member of the Society.

27. 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 head office of the Society or at such other place within the United Kingdom as is specified for that purpose in the notice convening the meeting not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote (or in the case of a poll not less than twenty-four hours before the time appointed for the taking of the poll) and in default the instrument of proxy shall not be treated as valid.

28. An instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit:—

THE SCOTTISH MUTUAL ASSURANCE SOCIETY

I/We
of _____ in the
county of _____ being a member/members of the
above-named Society in respect of the undernoted life
policy/ies do hereby appoint
of _____
or failing him
of _____
as my/our proxy to vote for me/us on my/our 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.

Life policies above referred to
Policy/ies number(s)..... for £.....
.....
.....

29. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

30. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed or the assignation of the policy or policies or any of them in respect of which the proxy is given provided that no intimation in writing of such death insanity revocation or such assignation as aforesaid shall have been received by the Society at the head office before the commencement of the meeting or adjourned meeting at which the proxy is used.

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

1ST SCH.
—cont.

Objections
to voting.

DIRECTORS

32. For the management of the whole business affairs and concerns of the Society there shall be not less than six and not more than twelve directors.

Directors.

33. Every director must be a member in respect of a policy or policies on his own life participating in profits in respect of sums assured of at least two thousand pounds (exclusive of bonus additions).

Qualification of
director.

34. No person shall be eligible for election as a director at the annual general meeting except a director retiring or a person who is duly qualified as above provided and who is nominated by the directors or by a writing signed by at least five members duly qualified to vote which writing shall be deposited at the head office not less than ten days before such annual general meeting.

Nomination
of director.

PROCEEDINGS OF DIRECTORS

35. The directors may meet together for the dispatch of business adjourn and otherwise regulate their meetings as they think fit Questions arising at any meeting shall be decided by a majority of votes In case of an equality of votes the chairman shall have a second or casting vote A director may and the secretary on the requisition of a director shall at any time summon a meeting of the directors It shall not be necessary to give notice of a meeting of directors to any directors for the time being absent from the United Kingdom.

Directors'
meetings.

36. The quorum necessary for the transaction of the business of the directors may be fixed by the directors and unless so fixed shall be three.

Quorum.

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

Continuing
directors acting.

38. The directors may elect a chairman and vice-chairman of their meetings and determine the period for which they are to hold office but if no such chairman or vice-chairman be elected or if neither the chairman nor the vice-chairman (if any) be present at the time appointed for holding the meeting the directors present shall choose some one of their number to be chairman of such meeting.

Chairman and
vice-chairman.

39.—(1) The directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the directors.

Committee of
directors.

1ST SCH.
—cont.

(2) A committee may elect a chairman of its meetings if no such chairman is elected or if at any meeting the chairman is not present at the time appointed for holding the same the members present may choose one of their number to be chairman of the meeting.

(3) 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 members present and in the case of an equality of votes the chairman shall have a second or casting vote.

Validity of
directors' acts.

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

Resolution
signed by
all directors.

41. A resolution passed without an actual meeting of the directors shall be as valid and effectual as if it had been passed or executed at a meeting of the directors duly convened and held provided always that the same is approved of in a minute signed by all the directors within the United Kingdom for the time being.

DISQUALIFICATION OF DIRECTORS

Disqualification
of directors.

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

- (a) ceases to hold the required qualification ; or
- (b) becomes bankrupt or makes any arrangement or composition with his creditors generally ; or
- (c) becomes of unsound mind ; or
- (d) resigns his office by notice in writing to the Society ; or
- (e) shall for more than six months have been absent without permission of the directors from meetings of the directors held during that period.

Age limit.

43. No person shall be appointed a director of the Society who has attained the age of 70 and a director shall vacate his office at the conclusion of the next annual general meeting after he attains the age of 70 and in respect of such vacation of office no provision contained in these regulations for automatic reappointment of retiring directors in default of another appointment shall apply but any such vacancy may be filled as a casual vacancy. Provided always that a person may be appointed director at any age and a director may continue in office after attaining any age and shall not be required to retire upon attaining the age of 70 as aforesaid if his appointment or continuance as a director is approved by the Society in general meeting and special notice has been given in the notice calling the meeting of the resolution appointing him or approving his appointment stating the age of the person to whom it applies.

ROTATION OF DIRECTORS

Rotation of
directors.

44.—(1) At the annual general meeting in every year one-third of the directors for the time being or if their number is not three or a multiple of three then the number nearest one-third shall retire from office. A retiring director shall be eligible for re-election.

(2) The directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

1ST SCH.
—cont.

45.—(1) The Society at the general meeting at which any director or directors retire shall fill up the vacated office or offices by electing a person or like number of persons unless it shall resolve to reduce the number or not to fill up any such vacated office. The Society may also at any general meeting resolve to add to the existing number of directors and may elect a person or persons as additional director or directors.

Vacancies
among
directors.

(2) If at any meeting or adjourned meeting at which an election of a director or directors ought to take place the place of the vacating director or directors is not filled up the vacating director or directors or such of them as have not had their places filled up shall if willing continue in office until the annual general meeting in the next year at which a director or directors fall to be elected and so on from time to time until their places are filled up unless it shall be determined at such meeting to reduce the number of directors or not to fill up any such vacated office.

46. The Society may from time to time by ordinary resolution increase or reduce the number of directors and may also determine in what rotation the increased or reduced number is to go out of office.

Increase or
reduction of
directors.

47. Notwithstanding the terms of regulation 45 hereof the directors shall have power at any time and from time to time to appoint any qualified person as a director either to fill a casual vacancy or as an addition to the board but so that the total number of directors shall not at any time exceed the maximum number fixed. Any director so appointed shall hold office only until the conclusion of the next annual general meeting of the Society at which an election of a director or directors falls to take place but he shall be eligible for re-election at such meeting.

Casual
vacancy.

48.—(1) The Society may by special resolution remove any director before the expiration of his period of office notwithstanding anything in these regulations or in any agreement between the Society and such director. This resolution must be passed at a special general meeting of the Society and the actual resolution proposed to be passed must be included in the notice of the meeting.

Removal of
directors.

(2) The directors at a meeting specially called for the purpose may by a resolution in which not less than three-fourths of the total number of directors for the time being in the United Kingdom shall concur remove from office a director whose continuance in office shall appear to the directors voting in favour of such resolution to be prejudicial to the interests of the Society and the directors may if they think fit appoint in his stead a duly qualified member who shall only hold office until the next annual general meeting but shall then be eligible for re-election.

(3) Any removal of a director under the provisions of this regulation shall be without prejudice to any claim such director may have for damages for breach of any contract between him and the Society.

1ST SCH.
—cont.
Remuneration
of directors.

49. The directors shall be entitled to receive remuneration for their services at the rate of six hundred and fifty pounds per annum for each director calculated in respect of the period for which each director shall have held office during the year in respect of which the remuneration is to be computed but the total remuneration of the directors shall not exceed six thousand five hundred pounds per annum together with such additional remuneration as shall be fixed by the Society in general meeting and such remuneration shall be deemed to accrue from day to day. The directors may apportion such remuneration among themselves as they think fit. The directors shall also be paid all reasonable travelling and other expenses incurred by them either in attending meetings of the directors committees of the directors general meetings of the Society or otherwise in connection with the business of the Society.

Remuneration
for extra
services.

50. If any director shall be called upon to perform special services of any kind or to travel at home or abroad on the Society's business the directors may pay the reasonable travelling expenses and outlays of such director and may arrange with him for such special remuneration for such services either by way of salary commission or payment of a lump sum of money or otherwise as they shall think fit.

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

51. A director of the Society may be or become a director or other officer of or otherwise interested in any company promoted by the Society or in which the Society may be interested as shareholder or otherwise and no such director shall be accountable to the Society for any remuneration or other benefits received by him as a director or officer of or from his interest in such other company.

POWERS OF DIRECTORS

General powers.

52. The management of the affairs of the Society shall be vested in the directors who in addition to the powers and authorities by this Act or by any other Act of Parliament expressly conferred upon them may exercise all powers and do all acts and things as may be exercised or done by the Society and are not by this Act expressly directed or required to be exercised or done by the Society in general meeting but subject nevertheless to any resolution of the Society in general meeting provided that no such resolution shall invalidate any prior act of the directors which would have been valid if such resolution had not been passed.

Special powers.

53. Without prejudice to the powers conferred by or referred to in the immediately preceding regulation the directors shall have the following powers (that is to say):—

- (1) To employ and appoint and remove such managers secretaries actuaries and other officers physicians surgeons solicitors agents local auditors accountants bankers brokers clerks servants and other persons for the management and carrying on of the business of the Society in any part of the world as the directors think fit to determine the duties of all such employees and to allow and pay to all such employees such salaries commissions charges wages or other remuneration and to give to all such employees such gratuities for extraordinary services as the directors think fit and to require

such security for the due and faithful discharge and performance by such employees of the duties of their respective offices as the directors think fit and to grant such allowances or pensions to any of such employees or their dependants as the directors think fit:

- (2) To grant and effect policies of all kinds and against all risks subject to such tables of premiums and conditions as they think fit to surrender or purchase any such policies and to allow time for the payment of premiums on the same and to revive or continue any void or lapsed policy for the whole or any reduced amount and all generally upon such terms and conditions as the directors shall think fit:
- (3) To settle or compromise all claims at such times and in such manner as they think fit and that even if such claims may not be valid in law or if there may be a defect in the claimants' title if the directors consider it expedient or advisable in the interests of the Society to settle such claims:
- (4) To obtain a charter Act of Parliament or other act of recognition from any government in whose dominions any local board or agency may be established and that in such form and for such purposes as they may deem advisable and be able to procure:
- (5) To form or assist in forming any company or to acquire hold and dispose of shares in any company or corporation now or hereafter existing in any part of the world:
- (6) To present any petition to Parliament or government for any purpose whatsoever which in their opinion is in the interests or conducive to the welfare of the Society:
- (7) To commence carry on or bring to an end any branch or class of business which the Society is authorised to carry on:
- (8) To give to any person employed by the Society whether a director or officer or other employee of the Society or not a commission on the profits of any particular branch or class of business of the Society and such commission shall be treated as part of the working expenses of the Society:
- (9) To pay all costs charges and expenses incurred in connection with the promotion and carrying through of this Act and the dissolution of the limited company:
- (10) To make and carry out contracts and agreements on behalf of the Society and vary and rescind the same as they think fit:
- (11) To purchase or otherwise acquire for the Society any property rights or assets upon such terms and conditions as they think fit:
- (12) Subject always to the provisions of regulation 64 hereof to invest from time to time the moneys of the Society in such securities as they may think fit including shares stocks debentures debenture stocks bonds mortgages obligations and securities of any kind issued or guaranteed by any company corporation or undertaking of whatever nature constituted:

1ST SCH.
—cont.

- (13) To acquire any such shares stocks debentures debenture stocks bonds mortgages obligations and securities by subscription syndicate participation tender purchase exchange or otherwise and to subscribe for the same either conditionally or otherwise and guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by or incident to the ownership thereof:
- (14) To sell exchange or otherwise dispose of deal with or turn to account any shares stocks or other securities acquired or agreed to be acquired and generally to vary the securities and investments of the Society from time to time:
- (15) To exercise the borrowing and other powers conferred upon them by regulation 55 hereof from time to time at their discretion:
- (16) To lend and advance money or give credit to such persons or companies and on such terms as may be thought fit and to give guarantees or become security for any such persons or companies but no guarantee shall be given involving the Society in unlimited liability:
- (17) To transact or carry on all kinds of agency business in particular in relation to the investment of money the sale of property and the collection and receipt of money:
- (18) To give any guarantee in relation to the repayment of any moneys debentures debenture stock bonds obligations or any other securities or the payment of any interest or dividends thereon:
- (19) To refer to arbitration and to bring conduct defend compromise and abandon legal and other proceedings and claims by for and against the Society or concerning its affairs:
- (20) To lend money upon security of or to purchase lease feu exchange or otherwise acquire any lands hereditaments or real or heritable property of any description or tenure or any interest therein situated in any part of the world:
- (21) In the ordinary course of business of the Society to open a bank account or bank accounts on behalf of the Society to draw cheques on such bank account or accounts make accept draw or endorse any promissory note bills of exchange bankers' draft cheque charter-party bill of lading or other such like instrument on behalf of the Society and if they see fit to empower any one or more of their number along with the secretary or secretaries or other officer of the Society to exercise these powers and to delegate such powers to such officers to such extent as they think fit:
- (22) To affix the seal of the Society to and to subscribe and otherwise execute and complete or cause to be executed and completed all deeds and writings required in the course of the Society's business and to empower any one or more of their number along with the manager actuary or secretary or other duly authorised officer to exercise these powers or any of them or to authorise the manager actuary or

secretary or other officer of the Society to execute such deeds documents and writings in such manner all as they shall think fit:

- (23) To establish from time to time branch offices and agencies in any part of the United Kingdom or elsewhere and to appoint branch managers or branch secretaries and other officers and agents in connection therewith and to delegate to them or any of them such powers and duties as they may think necessary for the conducting of such branches or agencies and to remove from office or suspend any of such branch managers secretaries or other officials or agents at any time without assigning any reason therefor:
- (24) Subject to such regulations (if any) as may be prescribed by the Society in general meeting to appoint one or more of themselves or any other person or persons as managing director or managing directors with such powers and upon such terms with respect to the duration of the appointment and remuneration as they think fit and subject to any contract between such managing director and the Society to remove or dismiss him from office and appoint another in his place or to discontinue the office A managing director shall subject to the provisions of any contract between him and the Society be subject to the same provisions as to resignation and removal as the other directors of the Society but shall not unless specifically so provided by the terms of his appointment be subject to retirement by rotation or be taken into account in determining the rotation of retirement of directors If from any cause he ceases to hold the office of director he shall ipso facto cease to be a managing director:
- (25) To appoint any directors to perform any special service for the Society either at home or abroad and to remunerate such directors specially therefor and pay their reasonable travelling expenses and outlays Further to appoint agents and attorneys who may be a company person firm or fluctuating body of persons or association for the Society in any part of the world with such powers (including the power to delegate) as may be thought fit and to provide if necessary for the management of the affairs of the Society outside the United Kingdom by any other company or any firm or person or fluctuating body of persons or association:
- (26) To enter into any arrangement with any company firm or person carrying on any business similar to that of the Society for mutual concessions or for any joint working or combination or for any restriction upon competition or for any pooling of business or profits that may seem desirable and to carry the same into effect:
- (27) To remunerate any person firm or company rendering services to the Society either by cash payment or in any other manner they think fit:
- (28) To effect insurances against risk of loss to the Society:

1ST SCH.
—cont.

(29) On behalf of the Society to pay a gratuity or pension or allowance on retirement to any managers officers or other employees of the Society including any whole-time working director or to any director who has held any other salaried office or place of profit with the Society or to the widow or dependants of any such person and to make contributions to any fund and pay premiums for the purchase or provision of any such gratuity pension or allowance:

(30) To make alter and repeal byelaws or minutes for the management of the business of the Society in all its branches and for regulating the duties and conduct of its officers and other employees and any other matters relating to the Society that appear to them to require regulation provided that such byelaws or minutes are not repugnant to the provisions of this Act or to any resolution of the Society in general meeting provided further that such byelaws or minutes may be rescinded or altered by the Society in general meeting.

Directors
contracting
with Society.

54.—(1) No director or intending director shall 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 any director is in any way interested be liable to be avoided nor shall any 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 of such director holding that office or of the fiduciary relation thereby established but such director shall be disqualified from voting on such contract or arrangement and the nature of his interest shall be disclosed by him at the meeting of the directors at which the question of entering into the contract or arrangement is first taken into consideration if his interest then exists or in any other case at the first meeting of the directors after the acquisition of his interest. A general notice that a director is a member of any specified firm or company and is to be regarded as interested in any contract which may after the date of the notice be made with that firm or company shall be sufficient disclosure under these regulations as regards any contract so made and after such general notice it shall not be necessary for such director to give a special notice relating to any particular transaction with that firm or company provided that no such notice shall be of effect unless either it is given at a meeting of the directors or the director takes reasonable steps to secure that it is brought up and read at the next meeting of the directors after which it is given.

(2) A director may hold any other office or place of profit under the Society (other than the office of auditor) in conjunction with his office as director for such period and on such terms (as to remuneration and otherwise) as the directors may determine and no director or intending director shall be disqualified by his office from contracting with the Society either with regard to his tenure of any such other office or place of profit or 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 any director is in any way interested be liable to be avoided nor shall any 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 of such director holding that office or of the fiduciary relation thereby established.

1ST SCH.
—cont.

(3) A director notwithstanding his interest may be counted in the quorum present at any meeting whereat he or any other director is appointed to hold any such office or place of profit under the Society whereat the terms of any such appointment are arranged and he may vote on any such appointment or arrangement other than his own appointment or the arrangement of the terms thereof.

(4) Any director may act by himself or his firm in a professional capacity for the Society and he or his firm shall be entitled to remuneration for professional services as if he were not a director provided that nothing herein contained shall authorise a director or his firm to act as auditor to the Society.

BORROWING POWERS

55. The directors may borrow for temporary purposes such sums as they think fit and may secure the repayment of such moneys in such manner and upon such terms and conditions in all respects as they think fit and in security of money so borrowed or raised they may mortgage pledge or charge all or any part of the assets property and rights of the Society for the time and may make and carry into effect any arrangements which they consider expedient for securing the repayment of any money so borrowed or raised and may convey any property of the Society to trustees or otherwise and may grant and execute all necessary deeds and writings for securing and completing such loans.

Borrowing
powers.

HONORARY DIRECTORS

56. The directors may from time to time appoint any persons whether members or not to be governors deputy-governors ordinary directors honorary directors or patrons of the Society but such persons shall receive no remuneration in respect of their appointments.

Honorary
directors.

LOCAL BOARDS

57.—(1) The directors may from time to time appoint any number of persons whether members or not to be a local board in any part of the world for the purpose of carrying on the business of the Society at any such place.

Directors may
appoint local
boards.

(2) The directors may confer on a local board any powers vested in the directors (except the power to borrow or raise money) to be exercised within the district for which such local board is appointed.

(3) The directors may pay to the members of a local board such remuneration as the directors think fit.

(4) The directors may from time to time make regulations for the guidance and government of a local board.

(5) The directors may fill up any vacancy on a local board.

1ST SCH.
—cont.

(6) The directors may at any time remove any member of a local board and appoint another in his stead and may at any time dissolve a local board for any cause whatsoever and appoint another local board in its stead.

(7) The directors may authorise a local board to delegate all or any of the powers vested in such local board.

TRUSTEES

Directors may
appoint trustees.

58.—(1) The directors may from time to time appoint any directors or officers of the Society or any other persons or corporations 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 or for the Society's employees or for any other purposes and may execute and do all such deeds and things as may be requisite in relation to any such trusts and may provide for the remuneration of such trustees.

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

(3) The several persons who for the time being hold property for the Society shall act in all respects under and in accordance with the instructions of the directors.

POWERS OF ATTORNEY

Directors may
grant powers of
attorney.

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

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

MINUTES OF PROCEEDINGS

Minutes of
proceedings.

60.—(1) The directors shall cause minutes of proceedings of general meetings of the Society of meetings of directors of meetings of committees of directors and of meetings of local boards 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) Every such entry so signed shall be received as prima facie evidence in all courts and before all judges justices and others without proof of such respective meetings having been duly convened or held or of the persons making or entering such proceedings being members or directors or members of committees of directors or members of local boards respectively or of the signature of the chairman or of the fact of his having been chairman.

SEAL

1ST SCH.
—cont.

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

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

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

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

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

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

EXECUTION OF DEEDS AND DOCUMENTS

63.—(1) All deeds and other writings shall be sufficiently executed by being sealed with the common seal of the Society and autographically signed by one of the directors and by the manager actuary or secretary or by other officer duly authorised by the directors and shall be equally binding whether attested by witnesses or not. Authentication of deeds and other writings.

(2) All deeds and other writings executed in any place out of the United Kingdom shall be sufficiently executed by being signed by such person as may be duly authorised by the directors.

(3) All policies cheques bills of exchange promissory notes warrants receipts notices and other writings requiring execution or authentication by the Society shall be validly and effectually executed if signed by such person or authenticated in such other manner as the directors may from time to time appoint or direct.

POWERS OF INVESTMENT

64. The directors may from time to time invest the funds and moneys of the Society in the purchase or lend the same upon the security of real and heritable property and securities of all kinds feu duties ground rents and other burdens and that whether freehold or leasehold rents and rentcharges of all kinds annuities life interests reversions whether absolute contingent or expectant shares stocks

1ST SCH.
—cont.

debentures debenture stocks bonds mortgages obligations and securities of any kind issued or guaranteed by any company corporation or undertaking of whatever nature constituted or carrying on business in any part of the world and debentures debenture stocks bonds obligations and securities issued or guaranteed by any government sovereign ruler commissioners public body or authority (supreme municipal local or otherwise) whether at home or abroad and on any form of loan or personal security or any other investment or in any other manner which the directors in their sole discretion consider advisable but always provided that no investment shall be made which would involve the Society in unlimited liability and they may sell realise and dispose of and alter and vary such investments in such manner as they think fit.

PERIODICAL INVESTIGATIONS

Investigations.

65. The investigations into the affairs of the Society in terms of the Assurance Companies Acts 1909 to 1946 and amendments thereto shall be made once every five years or at such shorter interval or intervals as the directors may prescribe and at these investigations the liability of the Society shall be valued under each policy or class of policy on such mortality tables and at such rate of interest as the directors shall determine to be most suitable always providing that a sufficient provision is made for future expenses and profits.

ASSURANCE FUNDS

Assurance
funds.

66.—(1) The directors shall keep a separate account of all receipts of each class of assurance business carried on by the Society and the receipts in respect of each class of business shall be carried to and form a separate assurance fund with an appropriate name but always provided that nothing in this regulation shall require the investments of any such fund to be kept separate from the investments of any other fund.

(2) Each fund maintained for any particular class of assurance shall be the security of the policy-holders of that class in the same manner as if it belonged to a company carrying on no other business than assurance business of that class and shall not be liable for any contracts of the Society for which it would not have been liable had the business of the Society been only that of assurance of that class and shall not be applied directly or indirectly for any purposes other than those of the class of business to which the fund is applicable except that each fund will be bound to contribute its own proportion of the expense of carrying maintaining and developing the business of the Society but provided always that whenever the said fund shall exceed the then amount of the net liabilities of the Society as shown at the periodical investigations aforesaid the directors shall have power to withdraw such surplus or any portion of it from the said fund and apply it to the general purposes of the Society in such manner as to them shall seem proper.

RESERVE FUNDS

Reserve funds.

67. Before any bonus is declared or any profits are allocated among the members of the Society entitled to participate therein the directors may set aside out of the profits of the Society and carry to reserve or reserves such sums as they think proper or expedient.

Such reserves may in the discretion of the directors be applied for the purpose of maintaining or developing the property of the Society replacing wasting assets meeting contingencies extending the business of the Society forming additional or special reserves or for any other purpose for which the profits of the Society may lawfully be used and pending such application the directors may in their discretion employ such reserves in the business of the Society or invest the same in such investments as the directors may from time to time think fit. The directors may also carry forward to the account of the succeeding year or years any profits or balance of profit which they shall not think fit to divide or to place to reserve.

1ST SCH.
—cont.

ACCOUNTS

68. The directors shall cause proper books of account to be kept with respect to— Accounts to be kept.

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

(b) the assets and liabilities of the Society.

Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Society's affairs and to explain its transactions.

69. The books of account shall be kept at the head 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. Custody of books.

70. Except as in this Act otherwise provided no member or other person except the auditor shall be entitled to inspect any book or account or document of the Society unless authorised by the directors or by a resolution of the Society in general meeting. Inspection of books.

71. Once at least in every year the accounts of the Society shall be examined and the correctness of the accounts and balance sheet certified by the auditor. Audit of accounts.

72. At every annual general meeting the directors shall lay before the Society duly audited revenue accounts and balance sheet made up to a date not more than nine months before the date of the meeting and such accounts and balance sheet shall contain such particulars and shall be accompanied by such other documents (including the directors' and auditors' reports) as are required by statute and by these regulations to be included therein or annexed thereto. Every such balance sheet and revenue account shall be signed on behalf of the directors by the chairman and any two directors and countersigned by the manager or other principal officer. Annual accounts and balance sheet.

73. Every balance sheet of the Society shall give a true and fair view of the state of affairs of the Society as at the end of its financial year or at the end of such other period at which the balance sheet may be made up and every revenue account of the Society shall give a true and fair view of income and expenditure of the Society for the financial year or for such other period as aforesaid and shall comply with the provisions of the Assurance Companies Acts 1909 to 1946 or other statutes amending the same. Contents of balance sheet.

1ST SCH.
—cont.
Directors'
report.

74.—(1) There shall be attached to every balance sheet laid before the Society in general meeting a report by the directors with respect to the state of the Society's affairs including the amount if any which they have declared as a bonus upon the participating policies of the Society.

(2) The said report shall deal so far as is material for the appreciation of the state of the Society's affairs by its members and will not in the directors' opinion be harmful to the business of the Society or of any of its subsidiaries with any change during the financial year in the nature of the Society's business or in the Society's subsidiaries.

Members' right
to copies of
balance sheet.

75. Every member shall upon making application for the same be entitled to receive a printed copy of the Society's annual accounts and balance sheet and directors' report together with the auditors' report thereon. They shall be sent to such member by post or otherwise delivered to him.

AUDITORS

Election of
auditors.

76.—(1) The Society shall at each annual general meeting appoint an auditor or auditors to hold office from the conclusion of that until the conclusion of the next annual general meeting.

(2) At any annual general meeting a retiring auditor however appointed shall be reappointed without any resolution being passed unless—

- (a) he is not qualified for reappointment ; or
- (b) a resolution has been passed at that meeting appointing somebody instead of him or providing expressly that he shall not be reappointed ; or
- (c) he has given the Society notice in writing of his unwillingness to be reappointed :

Provided that where notice is given of an intended resolution to appoint some person or persons in place of a retiring auditor and by reason of the death incapacity or disqualification of that person or of all those persons as the case may be the resolution cannot be proceeded with the retiring auditor shall not be automatically reappointed by virtue of this subsection.

Casual vacancy.

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

Remuneration
of auditors.

78. The remuneration of the auditors of the Society—

- (a) in the case of an auditor appointed by the directors or by the Board of Trade may be fixed by the directors or by the Board of Trade as the case may be ;
- (b) subject to the foregoing paragraph shall be fixed by the Society in general meeting or in such manner as the Society in general meeting may determine.

For the purposes of this subsection any sums paid by the Society in respect of the auditors' expenses shall be deemed to be included in the expression "remuneration".

79.—(1) The auditors shall make a report to the members on the accounts examined by them and on every balance sheet and every revenue account laid before the Society in general meeting during their tenure of office and the report shall contain statements as to whether they have obtained all the information which they require and whether proper books of account have been kept by the Society and whether in their opinion the revenue accounts and balance sheet of the Society give a true and fair view of the financial position of the Society including its subsidiaries (if any).

1ST SCH.
—cont.
Powers and
duties of
auditors.

(2) The auditors' report shall be annexed to the balance sheet and shall be open to inspection by any member at the general meeting to which it is submitted.

(3) Every auditor of the Society shall have a right of access at all times to the books and accounts and vouchers of the Society and shall be entitled to require from the directors and officers of the Society such information and explanations as he thinks necessary for the performance of the duties of the auditors.

(4) The auditors of the Society shall be entitled to attend any general meeting of the Society and to receive all notices of and other communications relating to any general meeting which any member of the Society is entitled to receive and to be heard at any general meeting which they attend on any part of the business of the meeting which concerns them as auditors.

NOTICES

80.—(1) In all cases in which it may be necessary for any person to serve a summons writ notice or other proceedings at law or otherwise upon the Society by citation notification or intimation in an action suit or process which may be raised or instituted against the Society service thereof respectively upon the secretary either personally or by leaving the same at or by transmitting the same to the head office or the principal office of the Society in London shall be deemed to be good service on the Society.

Service of
notices on
Society.

(2) Notices of assignments of policies effected with the Society and other notices not included in the immediately preceding provision of this regulation shall only be deemed to be effectually served upon the Society when deposited at the head office.

81.—(1) A notice requiring to be given by the Society to the members or any other persons and not expressly provided for by these regulations shall be sufficiently given if given by advertisement to be inserted at least once in one or more of the Glasgow newspapers and in one or more of the Edinburgh newspapers and in one or more of the London newspapers and in one or more of the Belfast newspapers.

Service of
notices on
members etc.

(2) A notice requiring to be served by the Society otherwise than by advertisement upon any member 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 at that address.

1ST SCH.
—cont.

Notice to
members
resident abroad.

82.—(1) Each member whose place of address is 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 by sending it prepaid through the post addressed to such member at that address.

(2) Any such member who has not intimated any such address for service shall be deemed to have waived service of notices other than service by advertisement of notices prescribed by these regulations so to be served.

Notice to joint
holders.

83. 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.

Intimation of
change of name
or address.

84. An intimation in writing of every change of name or address of any member shall be forthwith deposited by such member at the head office 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 address of such member appearing in the books of the Society and such member shall be deemed to have received such notice.

Date of service
of notice.

85. A notice sent through the post shall be deemed to have been served on the day on which it is posted and in proving such service it shall be sufficient to prove under the hand of the secretary or other officer of the Society that the notice was properly addressed and posted.

Signature of
notices.

86. The signature to a notice by or on behalf of the Society may be written or printed.

Reckoning of
time.

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

Indemnity of
directors and
officials.

INDEMNITY

88. So far as allowed by law the directors managing director or directors managers trustees and officers 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 they 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 them respectively on behalf of the Society and the directors managing director or directors managers trustees or other officers shall be reimbursed by the Society all reasonable expenses incurred by them in or about any legal proceedings or arbitration on account of the Society or otherwise in the execution of their respective offices except such costs losses and expenses as shall happen through their respective negligence default breach of duty or breach of trust And any such director managing director or directors manager or other officer shall be chargeable only for so much money as he shall

actually receive and they respectively shall not be answerable for the acts receipts neglects or defaults of each other but each of them for his own acts receipts defaults or neglect only nor shall they respectively be answerable for any banker broker collector or other person with whom or into whose hands any property or moneys of the Society may be deposited or come nor for the insufficiency of the title to any security or investment which may from time to time be acquired on behalf of the Society nor for the insufficiency of any investment or security in which any of the moneys of the Society shall be placed by order of or under authority from the directors nor for any loss or damage which may happen in the execution of their respective offices unless the same shall happen through their own respective negligence default breach of duty or breach of trust.

1ST SCH.
—cont.

89. Every member shall be entitled to receive a print of this Act upon making application to the Society for the same and upon payment therefor of such sum as shall be fixed by the directors for the time being not exceeding five shillings. **Members' right to copies of Act.**

THE SECOND SCHEDULE

ROLL OF MISSING SHAREHOLDERS OF THE LIMITED COMPANY (ALL UNTRACED FOR MORE THAN TWENTY YEARS)

| Name | Last known address | Year in which last dividend cashed | No. of shares held | Price or value | £ | s. | d. |
|---|--------------------------------|------------------------------------|--------------------|--|-----|----|----|
| 1. John Forbes | 130 Buccleuch Street Edinburgh | 1902 | 5 | Offer of 1924 at 35s. per share ... | 8 | 15 | 0 |
| | | | | Par value of shares ... | 5 | 0 | 0 |
| | | | | Total ... | 13 | 15 | 0 |
| | | | | Unclaimed net dividends ... | 4 | 8 | 10 |
| | | | | Less 3 calls of 5s. per share = 15s. per share due to the limited company... | 18 | 3 | 10 |
| | | | | Total due to shareholder... | 3 | 15 | 0 |
| | | | | | £14 | 8 | 10 |
| 2. Kilclay Lodge of I.O.G.T. No. 805 | Munlochy Ross-shire ... | 1895 | 5 | Offer of 1924 at 35s. per share ... | 8 | 15 | 0 |
| | | | | Par value of shares ... | 5 | 0 | 0 |
| | | | | Total ... | 13 | 15 | 0 |
| | | | | Unclaimed net dividends ... | 5 | 3 | 9 |
| | | | | | 18 | 18 | 9 |

| | | | | | | |
|------------------------|--------------------------------|------|----|--|--|------------------|
| | | | | | Less 3 calls of 5s. per share = 15s. per share due to the limited company... .. | 3 15 0 |
| | | | | | Total due to shareholder ... | <u>£15 3 9</u> |
| 3. Thomas Kinloch ... | 200 Bank Street Alexandria ... | 1888 | 10 | | Offer of 1924 at 35s. per share ... | 17 10 0 |
| | | | | | Par value of shares ... | 10 0 0 |
| | | | | | Unclaimed net dividends ... | <u>27 10 0</u> |
| | | | | | | 10 10 9 |
| | | | | | | <u>38 0 9</u> |
| | | | | | Less 3 calls of 5s. per share = 15s. per share due to the limited company... .. | 7 10 0 |
| | | | | | Total due to shareholder ... | <u>£30 10 9</u> |
| 4. John Longbottom ... | The Crescent Limerick ... | 1887 | 40 | | Offer of 1924 at 35s. per share ... | 70 0 0 |
| | | | | | Par value of shares ... | 40 0 0 |
| | | | | | Unclaimed net dividends ... | <u>110 0 0</u> |
| | | | | | | 45 7 10 |
| | | | | | | <u>155 7 10</u> |
| | | | | | Less 3 calls of 5s. per share = 15s. per share due to the limited company | 30 0 0 |
| | | | | | Total due to shareholder ... | <u>£125 7 10</u> |

| 58 | Name | Last known address | Year in which last dividend cashed | No. of shares held | Price or value | £ s. d. |
|----|-------------------------|--------------------------|------------------------------------|--------------------|---|------------------|
| | 5. Miss M. D. McKay ... | Main School Barnsley ... | 1893 | 2 | Offer of 1924 at 35s. per share ... Par value of shares ... | 3 10 0 2 0 0 |
| | | | | | Unclaimed net dividends ... | 5 10 0 2 3 3 |
| | | | | | Less 3 calls of 5s. per share = 15s. per share due to the limited company ... | 7 13 3 1 10 0 |
| | | | | | Total due to shareholder ... | £6 3 3 |
| | 6. Neil Mcphail ... | Waternish Portree ... | 1886 | 1 | Offer of 1924 at 35s. per share ... Par value of share ... | 1 15 0 1 0 0 |
| | | | | | Unclaimed net dividends ... | 2 15 0 1 2 9 |
| | | | | | Less 3 calls of 5s. per share = 15s. per share due to the limited company... | 3 17 9 15 0 |
| | | | | | Total due to shareholder... | £3 2 9 |

15 & 16 GEO. 6
& 1 ELIZ. 2

*Scottish Mutual
Assurance Society Act, 1952*

Ch. xxxix

| | | | | | |
|-------------------------------|----------------------------------|------|----|--|-----------------|
| 7. Mrs. Christina McPhail ... | Waternish Portree ... | 1886 | 1 | Offer of 1924 at 35s. per share ... | 1 15 0 |
| | | | | Par value of share ... | 1 0 0 |
| | | | | | <u>2 15 0</u> |
| | | | | Unclaimed net dividends ... | 1 2 9 |
| | | | | | <u>3 17 9</u> |
| | | | | Less 3 calls of 5s. per share = 15s. per share due to the limited company... | 15 0 |
| | | | | Total due to shareholder... | <u>£3 2 9</u> |
| 8. John Ross ... | Village of Dyke Brodie Forbes... | 1920 | 10 | Offer of 1924 at 35s. per share ... | 17 10 0 |
| | | | | Par value of shares ... | 10 0 0 |
| | | | | | <u>27 10 0</u> |
| | | | | Unclaimed net dividends ... | 3 11 9 |
| | | | | | <u>31 1 9</u> |
| | | | | Less 3 calls of 5s. per share = 15s. per share due to the limited company... | 7 10 0 |
| | | | | Total due to shareholder... | <u>£23 11 9</u> |

2ND SCH.
—cont.

| Name | Last known address | Year in which last dividend cashed | No. of shares held | Price or value | £ s. d. |
|----------------------------|-------------------------------------|------------------------------------|--------------------|--|---|
| 9. Thomas Sideserff | Cloth Street Craighead Barrhead | 1902 | 3 | Offer of 1924 at 35s. per share ... Par value of shares | <u>5 5 0</u> <u>3 0 0</u> |
| 10. Giles Williams | Barn Ruan Grampond Road Cornwall | 1894 | 10 | Unclaimed net dividends ... Less 3 calls of 5s. per share = 15s. per share due to the limited company... .. Total due to shareholder ... Offer of 1924 at 35s. per share ... Par value of shares Unclaimed net dividends ... Less 3 calls of 5s. per share = 15s. per share due to the limited company Total due to shareholder ... | <u>8 5 0</u> <u>2 13 7</u> <u>10 18 7</u> 2 5 0 <u>£8 13 7</u> 17 10 0 <u>10 0 0</u> <u>27 10 0</u> <u>10 12 1</u> 38 2 1 7 10 0 <u>£30 12 1</u> |

| 11. James Fairlie | ... | 12 Waterloo Street Glasgow | ... | 1907 | 6 | Offer of 1924 at 35s. per share ... | 10 10 0 |
|-------------------|-----|----------------------------|-----|------|---|--|-----------------|
| | | | | | | Par value of shares ... | 6 0 0 |
| | | | | | | Unclaimed net dividends ... | 16 10 0 |
| | | | | | | Less 3 calls of 5s. per share = 15s. per share due to the limited company... | 4 14 3 |
| | | | | | | Total due to shareholder... | 21 4 3 |
| | | | | | | | 4 10 0 |
| | | | | | | | <u>£16 14 3</u> |

NOTE.—Three calls each of 5s. per share (amounting in total to 15s. per share) were made on the shareholders of the limited company and were payable respectively on 3rd 10th and 17th January 1951.

Table of Statutes referred to in this Act

| Short title | Session and chapter |
|---|-----------------------|
| Bills of Exchange Act 1882 | 45 & 46 Vict. c. 61 |
| Companies Clauses Consolidation (Scotland) Act 1845 | 8 & 9 Vict. c. 17 |
| Companies (Consolidation) Act 1908 | 8 Edw. 7. c. 69 |
| Companies Act 1948 | 11 & 12 Geo. 6. c. 38 |

PRINTED BY HENRY GEORGE GORDON WELCH, C.B.E.

Controller of Her Majesty's Stationery Office and Queen's Printer of Acts of Parliament

LONDON: PUBLISHED BY HER MAJESTY'S STATIONERY OFFICE

Price 3s. 0d. net

PRINTED IN GREAT BRITAIN

(77578)