



Special Resolutions
OF
THE GENERAL LIFE ASSURANCE COMPANY

Passed 12th April, 1950



At the ANNUAL GENERAL MEETING of the above-named Company,
held at General Buildings, Perth, on Wednesday, the 12th day of April,
1950, the following Resolutions were passed as SPECIAL RESOLUTIONS :—

RESOLUTIONS

1. That the Memorandum of Association of the Company be altered as to its objects by deleting from Clause 3 thereof paragraph (l) and substituting therefor the following new paragraph :
“ (l) To grant pensions or gratuities to any persons (including Directors and other officers) who may be or have been in the employment or service in any capacity of the Company or of any subsidiary company of the Company or of any subsidiary company of any such subsidiary company or of the predecessors in business of the Company or of any such subsidiary or such sub-subsidiary company or the relations, connections or dependants of any such persons. To establish or support associations, institutions, clubs, funds and trusts which may be considered calculated to benefit any such persons or otherwise advance the interests of the Company or of its members, and to establish and contribute to any scheme for the purchase by trustees of shares of the Company to be held for the benefit of the Company's employees or to lend money to the Company's employees to enable them to purchase shares of the Company.”
2. That the regulations contained in the printed document submitted to this meeting and for the purposes of identification subscribed by the Chairman thereof be and the same are hereby approved and adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, all existing Articles thereof.



1453

*Verified a true and correct copy of the Memorandum of Association
of the General Life Assurance Company as altered by a
Special Resolution of the Company passed on the 12th
day of April 1950.*

L. W. S. E. A.
Secretary

226148.

THE COMPANIES ACTS, 1908 to 1917

AND

THE COMPANIES ACT, 1948

UNLIMITED COMPANY

Memorandum of Association
OF
THE GENERAL LIFE ASSURANCE
COMPANY

*(Altered by a Special Resolution of the Company passed on the
12th day of April, 1950)*

Incorporated the 20th day of December, 1927

ALLEN & OVERY,
3, FINCH LANE,
CORNHILL,
LONDON, E.C. 3.

1928.— G.—027.

In the High Court of Justice.

CHANCERY DIVISION.

Stamp #2.

MR. JUSTICE ROMER.

Tuesday the 24th day of July 1928.

IN THE MATTER of the GENERAL LIFE ASSURANCE
COMPANY

— AND —

IN THE MATTER of THE COMPANIES (CONSOLIDATION)
ACT 1908.

UPON THE PETITION of the above named The General Life Assurance Company on 18th May 1928 preferred unto this Court and UPON HEARING Counsel for the said Company and UPON READING the said Petition the Order dated 25th June 1928 and the London Gazette dated 6th July 1928 and the following newspapers namely the Times dated 5th July 1928 the Daily Telegraph dated 5th July 1928 the Daily Mail dated 6th July 1928 and the Post Magazine and Insurance Monitor dated 7th July 1928 all containing a notice of presentation of the said Petition and that the same was appointed to be heard this day

THIS COURT DOTH pursuant to the Companies (Consolidation) Act 1908 CONFIRM the alteration in the form of the said Company's constitution proposed to be effected by the special resolution duly passed and confirmed at Extraordinary General Meetings of the said Company held on 25th April 1928 and 16th May 1928 respectively substituting the Memorandum and Articles of Association submitted to the said meetings for the Company's Deed of Settlement dated 9th May 1838 and for all regulations of the said Company subsequently made and then in force.

AND IT IS ORDERED that the Memorandum of Association contained in the Schedule hereto (being the above mentioned Memorandum of Association) and the Articles of Association approved by the said meetings be substituted for the said Company's Deed of Settlement and for all the regulations of the said Company subsequently made and now in force.

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THE COMPANIES ACTS, 1908 to 1917
AND
THE COMPANIES ACT, 1948



UNLIMITED COMPANY

Memorandum of Association

OF

THE GENERAL LIFE ASSURANCE COMPANY

*(Altered by a Special Resolution of the Company passed on the
12th day of April, 1950)*

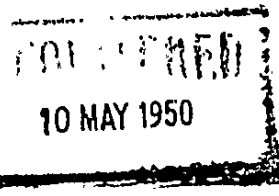
1. The name of the Company is "THE GENERAL LIFE ASSURANCE COMPANY."

2. The registered office of the Company is situate in England.

3. The objects for which the Company is established are :-

(a) To carry on the business of life assurance in all its branches, and in particular to grant or effect assurances of all kinds for payment of money, by way of a single payment or by several payments or by way of immediate or deferred annuities or otherwise, upon 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 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 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) To grant annuities of all kinds, whether dependent on human life or otherwise, and whether perpetual or terminable, and whether immediate or deferred, and whether contingent or otherwise.



15/1/58

- (c) To contract with leaseholders, borrowers, lenders, annuitants and others for the establishment, accumulation, provision and payment of sinking funds, redemption funds, whether of capital or otherwise, depreciation funds, renewal funds, endowment funds, and any other special funds, and that either in consideration of a lump sum or of an annual premium or otherwise, and generally on such terms and conditions as may be arranged.
- (d) To purchase and deal in and lend on life, reversionary and other interests in property of all kinds, whether absolute or contingent or expectant, and whether determinable or not ; and to acquire, lend money on, redeem, cancel or extinguish by purchase, surrender or otherwise any policy, security, grant or contract issued, made or taken over and entered into by the Company.
- (e) To grant assurances payable upon or after the happening of personal injuries caused by accident of any description, or upon the happening of sickness or bodily or mental incapacity.
- (f) To reassure or counter-assure all or any risks, and to undertake all kinds of reassurance and counter-assurance connected with any of the business aforesaid.
- (g) To give to any class or section of those who are assured or have other dealings with the Company any rights over or in relation to any fund or funds held or established for the purposes of the business of the Company, or a right to participate in the profits of the Company or in the profits of any particular branch or part of its business or any other special privileges, advantages or benefits.
- (h) To carry on any other business which may seem to the Company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.
- (i) To acquire and undertake the whole or any part of the business, property and liabilities of any person or company carrying on any business which the Company is authorised to carry on, or possessed of property suitable for the purposes of this Company.
- (j) To take or otherwise acquire and hold shares in any other Company having objects altogether or in part similar to those of this Company, or carrying on any business capable of being conducted so as directly or indirectly to benefit this Company.

- (k) To amalgamate with any other company having objects altogether or in part similar to those of this Company.
- (l) To grant pensions or gratuities to any persons (including Directors and other officers) who may be or have been in the employment or service in any capacity of the Company or of any subsidiary company of the Company or of any subsidiary company of any such subsidiary company or of the predecessors in business of the Company or of any such subsidiary or such sub-subsidiary company or the relations, connections or dependants of any such persons. To establish or support associations, institutions, clubs, funds and trusts which may be considered calculated to benefit any such persons or otherwise advance the interests of the Company or of its members, and to establish and contribute to any scheme for the purchase by trustees of shares of the Company to be held for the benefit of the Company's employees or to lend money to the Company's employees to enable them to purchase shares of the Company.
- (m) Generally to purchase, take on lease or in exchange, hire or otherwise acquire any real and personal property and any rights or privileges which the Company may think necessary or convenient for the purposes of its business, and in particular any land or buildings.
- (n) To construct, maintain and alter any buildings necessary or convenient for the purposes of the Company.
- (o) To invest and deal with the moneys of the Company not immediately required in such manner as may from time to time be determined.
- (p) To borrow or raise or secure the payment of money in such manner as the Company shall think fit, whether by the issue of debentures or debenture stock, perpetual or otherwise, charged upon all or any of the Company's property (both present and future), including its uncalled capital or otherwise, and to purchase or redeem or pay off any such securities.
- (q) To draw, make, accept, indorse, discount, execute and issue promissory notes, bills of exchange and other negotiable or transferable instruments.
- (r) To obtain any Provisional Order or Act of Parliament for enabling the Company to carry any of its objects into effect and 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.

- (s) To procure the Company to be registered or recognised in any foreign country or place.
- (t) To sell, improve, manage, develop, exchange, lease, mortgage or otherwise deal with all or any part of the property and rights of the Company.
- (u) To do all or any of the above things in any part of the world, and as principals, agents, contractors, trustees or otherwise, and by or through trustees, agents or otherwise, and either alone or in conjunction with others.
- (v) To do all such other things as are incidental or conducive to the attainment of the above objects.

THE COMPANIES ACT, 1948

UNLIMITED COMPANY

SUBSTITUTED
Articles of Association
OF
THE GENERAL LIFE ASSURANCE
COMPANY

Incorporated the 20th day of December, 1927

*(Adopted by a Special Resolution of the Company passed on the
day of , 1950)*

ALLEN & OVERY,
3, FINCH LANE,
CORNHILL,
LONDON, E.C. 3.

Handwritten signature

THE COMPANIES ACT, 1948

UNLIMITED COMPANY

SUBSTITUTED

Articles of Association

OF

THE GENERAL LIFE ASSURANCE COMPANY

(Adopted by a Special Resolution of the Company passed on the _____ day
of _____, 1950)

INTRODUCTORY

1. The regulations in Form D in the Third Schedule to the Companies (Consolidation) Act, 1908, and in Table "E" in the First Schedule to the Companies Act, 1948, shall not apply to the above-named THE GENERAL LIFE ASSURANCE COMPANY (in these Articles called "the Company"), except so far as the same are repeated or contained in these Articles. Table "E" not to apply.

INTERPRETATION

2. In these Articles the words standing in the first column of the following table shall bear the meanings set opposite to them respectively in the second column thereof, if not inconsistent with the subject or context :— Interpretation.

| Words | MEANINGS |
|--------------|--|
| The Act... | ... The Companies Act, 1948. |
| The Statutes | ... The Companies Act, 1948, the Assurance Companies Acts, 1909 to 1946, and every other Act for the time being in force concerning joint stock companies and affecting the Company. |

| WORDS | MEANINGS |
|---------------------------------|--|
| These Articles ... | These Articles of Association, as originally adopted, or as from time to time altered by Special Resolution. |
| The Office ... | The Registered Office for the time being of the Company. |
| The Directors ... | The Directors for the time being of the Company. |
| Appointment ... | Includes election (and appoint includes elect). |
| The Seal ... | The Common Seal of the Company. |
| Year ... | Year from the 1st January to the 31st December, inclusive. |
| Financial year of the Company | The period for which the Company's Accounts are made up. |
| Capital Redemption Reserve Fund | A fund established in accordance with Section 58 of the Act or otherwise for the redemption of any part of the share or loan capital of the Company. |
| Month ... | Calendar month. |
| Paid up... | Includes credited as paid up. |
| Dividend ... | Includes bonus. |
| In writing ... | Written, printed, typewritten, or lithographed, or visibly expressed in any other mode of representing or reproducing words, or partly one and partly another. |
| The Register ... | The Register of Members of the Company. |
| The United Kingdom ... | Great Britain and Northern Ireland. |

The words "share" and "member" shall include the meanings assigned to them by Article 50.

Words importing the singular number only shall include the plural number, and *vice versa*.

Words importing the masculine gender only shall include the feminine gender.

Words importing persons shall include corporations.

Subject as aforesaid, any words defined in the Statutes shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

The marginal notes are inserted for convenience only and shall not affect the construction of these Articles.

BUSINESS

3. Any branch or kind of business which by the Memorandum of Association of the Company or these Articles is either expressly or by implication authorised to be undertaken by the Company, may be undertaken by the Directors at such time or times as they shall think fit, and further may be suffered by them to be in abeyance, whether such branch or kind of business may have been actually commenced or not, so long as the Directors may deem it expedient not to commence or proceed with such branch or kind of business. Business to be undertaken.

4. The Office shall be at such place in England as the Directors shall from time to time appoint. Office.

SHARES

5. (1) The Share Capital of the Company at the date of adoption of these Articles is £1,000,000, divided into 10,000 shares of £100 each. Capital and shares.

6. Save as provided by contract or these Articles to the contrary, all unissued shares shall be at the disposal of the Directors, and they may allot, grant options over or otherwise deal with or dispose of the same to such persons, at such times, and generally on such terms as they think proper, but so that no shares shall be issued at a discount except in accordance with Section 57 of the Act. Shares at the disposal of the Directors.

7. The Company shall duly comply with any provisions of the Statutes as to the minimum subscription on which and the time when the Company may proceed to an allotment of its shares. Minimum subscription.

Amount payable
on application.

8. The amount payable on application on each share offered at any time for subscription shall not be less than 5 per cent. of the nominal amount of the share.

Power to pay
commission and
brokerage.

9. (1) The Company may pay a commission to any person in consideration of his subscribing, or agreeing to subscribe, whether absolutely or conditionally, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the Capital of the Company, but such commission shall not exceed 10 per cent. of the price at which the shares are issued or an amount equivalent thereto. Any such commission may be paid in whole or in part in cash or fully or partly paid shares of the Company at par as may be arranged, and the Company may, in addition to, or in lieu of, such commission, in consideration of any person so subscribing or agreeing to subscribe, or of his procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the Company, confer on any such person an option to call within a specified time for a specified number or amount of shares in the Company at a specified price not being less than par. The payment or agreement to pay a commission or the conferring of an option shall be in the discretion of the Directors on behalf of the Company. The requirements of Sections 52, 53, and 124 of the Act shall be observed, so far as applicable.

(2) The Company may also pay such brokerage as may be lawful.

Funds not to be
employed in
purchase of
subscription for or
loans on shares.

10. No part of the funds of the Company shall directly or indirectly be employed in purchase of or subscription for or loans upon the security of the Company's shares, but nothing in this Article shall prohibit transactions mentioned in the proviso to Section 54 (1) of the Act.

Power to charge
interest to capital.

11. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings, or the provision of any plant which cannot be made profitable for a lengthened period, the Company may pay interest on so much of that Share Capital as is for the time being paid up for the period and subject to the conditions and restrictions mentioned in Section 65 of the Act, and may charge the same to capital as part of the cost of the construction of the works or buildings or the provision of the plant.

Joint holders.

12. The Company shall not be bound to register more than four persons as joint holders of any share, and if two or more persons are registered as joint holders of any share, any one of such persons may give effectual receipts for any dividends or other moneys payable in respect of such share.

Exclusion of
equities.

13. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound in any way to recognise (even when having notice

thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Articles or by law otherwise provided), any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder.

14. Every member shall, without payment, be entitled to receive, within two months after allotment or lodgment of transfer, or within such other period as the conditions of issue may provide, a certificate for all his shares in any particular class, or several certificates, each for one or more of his shares, upon payment of such sum, not exceeding two shillings and sixpence for every certificate after the first, as the Directors shall from time to time determine. Every certificate shall be under the Seal and shall specify the number and while required under Section 74 of the Act the denoting numbers of the shares to which it relates and the amount paid up thereon. Provided that, in the case of joint holders, the Company shall not be bound to issue more than one certificate for all the shares in any particular class registered in their joint names, and delivery of a certificate for a share to any one of several joint holders thereof shall be sufficient delivery to all.

Issue of
Certificates.

15. If any share certificate shall be worn out, defaced, destroyed or lost, it may be renewed on such evidence being produced as the Directors shall require, and in case of wearing out or defacement, on delivery up of the old certificate, and in case of destruction or loss, on the execution of such indemnity (if any), and in either case, on payment of such sum, not exceeding one shilling, as the Directors may from time to time require. In case of destruction or loss, the person to whom such renewed certificate is given shall also bear and pay to the Company all expenses incidental to the investigation by the Company of the evidence of such destruction or loss and to such indemnity.

Renewal of
Certificates.

LIEN ON SHARES

16. The Company shall have a first and paramount lien and charge on all the shares not fully paid up registered in the name of a member (whether solely or jointly with others) for his debts, liabilities and engagements, either alone or jointly with any other person, whether a member or not, to or with the Company, whether the period for the payment or discharge thereof shall have actually arrived or not, and no equitable interest shall be created in any shares except upon the footing and condition that the provisions of these Articles relieving the Company from being bound by or recognising equitable interests are to have full effect. Such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien (if any) on such shares.

Company to have
lien on shares.

Sale of shares
subject to lien.

17. For the purpose of enforcing such lien, the Directors may sell all or any of the shares subject thereto in such manner as they may think fit, but no sale shall be made until such period as aforesaid shall have arrived, and until a notice in writing demanding payment of such debts, or discharge of such liabilities and engagements, and giving notice of intention to sell in default, shall have been served in accordance with these Articles on such member or the person (if any) entitled by transmission to the shares, and default in such payment or discharge shall have been made by him for seven days after such notice. The net proceeds of any such sale shall be applied in or towards satisfaction of the said debts, liabilities and engagements, and the residue (if any) shall be paid to the member or the person (if any) entitled by transmission to the shares. Provided always that the Company shall be entitled to a lien upon such residue in respect of any debts, liabilities or engagements the period for the payment or discharge whereof shall not have arrived, like to that which it had upon the shares immediately before the sale thereof.

Purchaser
protected.

18. Upon any such sale as aforesaid the Directors may authorise some person to transfer the shares sold to the purchaser and may enter the purchaser's name in the Register as holder of the shares, and the purchaser shall not be bound to see to the regularity or validity of or be affected by any irregularity or invalidity in the proceedings, or be bound to see to the application of the purchase money, and after his name has been entered in the Register, the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

CALLS ON SHARES

Directors may
make calls.

19. The Directors may, subject to any conditions of allotment, from time to time make such calls upon the members in respect of all moneys unpaid on their shares as they think fit, provided that seven days' notice at least is given of each call, and each member shall be liable to pay the amount of every call so made upon him to the persons and at the times and places appointed by the Directors. Any call may be made payable in one sum or by instalments.

Time when made.

20. A call shall be deemed to have been made at the time when the Resolution of the Directors authorising such call was passed.

Liability of
joint holders.

21. The joint holders of a share shall be jointly and severally liable for the payment of all calls and instalments in respect thereof.

Interest on calls.

22. If before or on the day appointed for payment thereof, a call or instalment payable in respect of a share be not paid, the person from whom the amount is due shall pay interest on the amount of the call

or instalment at such rate, not exceeding 10 per cent. per annum, from the day appointed for payment thereof to the day of actual payment, as the Directors shall from time to time determine, and shall also pay all costs, charges and expenses which the Company may have incurred or become liable for in order to procure payment of or in consequence of the non-payment of such call or instalment, but the Directors shall be at liberty to waive payment of such interest, costs, charges and expenses, wholly or in part.

23. Any sum which by the conditions of allotment of a share is made payable on allotment, or at any fixed time, or by instalments at any fixed times, whether on account of the nominal amount of the share or by way of premium, shall, for all purposes of these Articles be deemed to be a call duly made and payable on the date or dates fixed for payment, and in case of non-payment the provisions of these Articles as to payment of interest and expenses, forfeiture and the like, and all other the relevant provisions of the Statutes or of these Articles shall apply as if such sum were a call duly made and notified as hereby provided.

Sums due on allotment to be treated as calls.

24. The Directors may make arrangements on any issue of shares for a difference between the holders of such shares in the amounts and times of payment of calls on their shares.

Power to differentiate.

25. The Directors may, if they think fit, receive from any member willing to advance the same all or any part of the moneys due upon his shares beyond the sum actually called up thereon, and upon all or any of the moneys so paid in advance, or so much thereof as exceeds the amount for the time being called up on the shares in respect of which such advance has been made, the Directors may pay or allow interest at such rate, not exceeding without the sanction of the Company in General Meeting 6 per cent. per annum, as may be agreed upon between the Directors and the member paying such sum in advance, in addition to the dividend payable upon such part of the shares in respect of which such advance has been made as is actually called up. The Directors may also at any time repay the amount so advanced upon giving to such member one month's notice in writing.

Payment of calls in advance.

26. No member shall be entitled to receive any dividend, or to be present or vote (save as proxy for another member) at any General Meeting, either personally or by proxy, or to exercise any privilege as a member, or be reckoned in a quorum, until he shall have paid all calls or other sums for the time being due and payable on every share held by him, whether alone or jointly with any other person, together with interest and expenses (if any).

Rights suspended if payment in arrear.

TRANSFER OF SHARES

Form of transfer.

27. Subject to the restrictions of these Articles, any member may transfer all or any of his shares, but every transfer must be in writing and in the usual common form, or in any other form which the Directors may approve, and must be left at the Office or at such other place as the Directors may determine for registration, accompanied by the certificate of the shares to be transferred, and such other evidence (if any) as the Directors may require to prove the title of the intending transferor or his right to transfer the shares.

Execution.

28. The instrument of transfer of a share shall be signed both by the transferor and by the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof, provided that the Directors may dispense with the execution of the instrument of transfer by the transferee in any case in which they think fit in their discretion so to do. Shares of different classes shall not be comprised in the same instrument of transfer.

Retention of Instruments.

29. All instruments of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Directors may refuse to register shall (except in any case of fraud) be returned to the party presenting the same.

Directors' power to decline to register transfer.

30. The Directors may, in their discretion and without assigning any reason therefor, refuse to register any transfer of shares not fully paid up to a person of whom they do not approve as transferee. The Directors may also refuse to register any transfer of shares on which the Company has a lien.

Notice of refusal to register.

31. If the Directors refuse to register any transfer of shares, they shall, within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal.

Fee payable.

32. Such fee, not exceeding two shillings and sixpence for each transfer, as the Directors may from time to time determine, may be charged for registration of a transfer. There shall also be paid to the Company in respect of the registration of any Probate, Letters of Administration, Certificate of Marriage or Death, Power of Attorney or other document relating to or affecting the title to any shares or for making any entry in the register affecting the title to any share such fee not exceeding two shillings and sixpence as the Directors may from time to time require or prescribe.

Power to close Register.

33. The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty days in any year.

TRANSMISSION OF SHARES

34. In the case of the death of a member, the survivors or survivor where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his shares ; but nothing herein contained shall release the estate of a deceased holder, whether sole or joint, from any liability in respect of any share solely or jointly held by him.

Transmission
on death.

35. Any person becoming entitled to a share in consequence of the death or bankruptcy of any member may, upon producing such evidence of his title as the Directors shall require, and subject as hereinafter provided, either be registered himself as the holder of the share or elect to have some person nominated by him registered as the transferee thereof.

Registration
of Personal
Representative or
Trustee in
Bankruptcy.

36. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him, stating that he so elects. For all purposes of these Articles relating to the registration of transfers of shares, such notice shall be deemed to be a transfer, and the Directors shall have the same power of refusing to give effect thereto by registration as if the event upon which the transmission took place had not occurred and the notice were a transfer executed by the person from whom the title by transmission is derived.

Notice of
election to be
registered.

37. If the person so becoming entitled shall elect to have his nominee registered, he shall testify his election by executing to his nominee a transfer of such share. The Directors shall have in respect of transfers so executed the same power of refusing registration as if the event upon which the transmission took place had not occurred and the transfer were a transfer executed by the person from whom the title by transmission is derived.

Registration
of nominee.

38. A person so becoming entitled shall have the right to receive and give a discharge for any dividends or other moneys payable or other advantages due in respect of the share, but he shall have no right to receive notice of or to attend or vote at meetings of the Company, or (save as aforesaid) to any of the rights or privileges of a member in respect of the share, unless and until he shall be registered as the holder thereof. Provided always that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within 90 days the Directors may thereafter withhold payment of all dividends or other moneys payable or advantages due in respect of the share until the requirements of the notice have been complied with.

Rights of
unregistered
Personal
Representative or
Trustee
in Bankruptcy.

FORFEITURE OF SHARES.

Notice of unpaid calls.

39. If any member fails to pay the whole or any part of any call or instalment on or before the day appointed for the payment thereof, the Directors may, at any time thereafter during such time as the call or instalment or any part thereof remains unpaid, serve a notice on him, requiring him to pay such call or instalment, or such part thereof as remains unpaid, together with any accrued interest and any costs, charges and expenses incurred by the Company by reason of such non-payment.

Notice to state time and place for payment.

40. The notice shall name a further day, being not less than fourteen days from the date of such notice, on or before which such call or instalment or part thereof as aforesaid, and all such interest and costs, charges and expenses as aforesaid are to be paid. It also shall name the place where payment is to be made, and shall state that, in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call was made or instalment is payable will be liable to be forfeited.

Forfeiture on non-compliance with notice.

41. If the requisitions of any such notice as aforesaid be not complied with, any share in respect of which such notice has been given may, at any time thereafter, before payment of all calls or instalments, interest, costs, charges and expenses due in respect thereof has been made, be forfeited by a Resolution of the Directors to that effect. Every forfeiture shall include all dividends declared in respect of the forfeited shares, and not actually paid before the forfeiture.

Notice of forfeiture to be given.

42. When any share has been forfeited in accordance with these Articles, notice of the forfeiture shall forthwith be given to the holder of the share, or the person entitled to the share by transmission, as the case may be, and an entry of such notice having been given, and of the forfeiture, with the date thereof, shall forthwith be made in the Register opposite to the entry of the share ; but the provisions of this Article are directory only, and no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

Power to annul forfeiture.

43. Notwithstanding any such forfeiture as aforesaid, the Directors may, at any time before the forfeited share has been sold, re-allotted or otherwise disposed of, annul the forfeiture upon payment of all calls and interest due upon and costs, charges and expenses incurred in respect of the share, and upon such further conditions (if any) as they may think fit.

Sale of forfeited shares.

44. Every share which shall be forfeited shall thereupon become the property of the Company, and may be sold, re-allotted, or otherwise disposed of, upon such terms and in such manner as the Directors shall

think fit and whether with or without all or any part of the amount previously paid up on the share being credited as so paid up. The Directors may, if necessary, authorise some person to transfer a forfeited share to any person to whom the same has been sold, re-allotted or disposed of.

45. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, be liable to pay to the Company all calls, instalments, interest, costs, charges and expenses owing upon or in respect of such shares at the time of forfeiture, together with interest thereon from the time of forfeiture until payment at such rate, not exceeding 10 per cent. per annum, as the Directors shall think fit, in the same manner as if the shares had not been forfeited, and to satisfy all (if any) the claims and demands which the Company might have enforced in respect of the shares at the time of forfeiture, without any deduction or allowance for the value of the shares at the time of forfeiture.

Rights and liabilities of persons whose shares have been forfeited.

46. A statutory declaration in writing that the declarant is a Director of the Company, and that a share has been duly forfeited in pursuance of these Articles, and stating the time when it was forfeited, shall, as against all persons claiming to be entitled to the share, be conclusive evidence of the facts therein stated, and such declaration together with a certificate of proprietorship of the share under the Seal delivered to a purchaser or allottee thereof, shall (subject to the execution of any necessary transfer) constitute a good title to the share, and the new holder thereof shall be discharged from all calls made prior to such purchase or allotment, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any omission, irregularity or invalidity in or relating to or connected with the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.

Title to forfeited shares.

CONVERSION OF SHARES INTO STOCK

47. The Company may from time to time by Special Resolution convert all or any of its paid-up shares into stock, and may from time to time in like manner re-convert such stock into paid-up shares of any denomination.

Power to convert into stock.

48. When any shares have been converted into stock, the several holders of such stock may transfer their respective interests therein or any part of such interests, in the same manner, and subject to the same regulations and restrictions as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances will permit. Provided

Transfer stock.

that the Directors may, from time to time, if they think fit, fix the minimum amount of stock transferable, and direct that fractions of a pound or any lesser sum shall not be dealt with, but with power nevertheless at their discretion to waive such rules in any particular cases.

Rights of
stockholders.

49. The several holders of stock shall be entitled to participate in the profits and assets of the Company, according to the amount of their respective interests in such stock, and such interests shall, in proportion to the amount thereof, confer on the holders thereof respectively the same privileges and advantages, for the purpose of voting at meetings of the Company, and for other purposes, as if they held the shares from which the stock arose, but so that none of such privileges or advantages, except the participation in the profits and assets of the Company, shall be conferred by any such aliquot part of stock as would not, if existing in shares, have conferred such privileges and advantages. No such conversion shall affect or prejudice any preference or other special privilege.

Interpretation.

50. Subject as aforesaid, all the provisions of these Articles applicable to paid-up shares shall apply to stock, and in all such provisions the word "share" and "member" shall respectively include "stock" and "stockholder."

INCREASE OF CAPITAL

Company may
increase its
Capital.

51. The Company may from time to time, by Special Resolution, whether or not all the shares for the time being authorised shall have been issued, or all the shares for the time being issued shall have been fully called up, increase its Capital by the creation of new shares of such amount as may be deemed expedient.

Conditions of issue
of new shares.

52. Without prejudice to any special rights or privileges attached to any then existing shares in the Capital of the Company, any new shares may be issued upon such terms and conditions, and with such rights and privileges attached thereto, as the General Meeting resolving upon the creation thereof shall, by Special Resolution, direct, or, if no such direction be given, as the Directors shall determine, and in particular such shares may be issued with a preferential, qualified or deferred right to dividends and in the distribution of assets of the Company, and with a special or without any right of voting, and any Preference Share may be issued on the terms that it is, or at the option of the Company is to be liable, to be redeemed.

New shares may
be offered to
members.

53. The General Meeting resolving upon the creation of any new shares may direct that the same or any of them shall be offered, in the first instance, and either at par or at a premium, to all the then holders of any class of shares in the Capital of the Company, in proportion to

the number of shares of such class held by them respectively, or make any other provisions as to the issue and allotment of the new shares, but, in default of any such direction, or so far as the same shall not extend, the new shares shall be at the disposal of the Directors, and Article 6 hereof shall apply thereto.

54. Subject to any direction or determination that may be given or made in accordance with the powers contained in these Articles, all further shares created on any increase of Capital shall be subject to the provisions herein contained with reference to the payment of calls transfer, transmission, forfeiture, lien and otherwise.

New shares considered as original Capital.

ALTERATIONS OF CAPITAL

55. The Company may, from time to time, by Special Resolution :—

Power to consolidate and subdivide or cancel shares.

- (a) Consolidate and divide all or any of its Share Capital into shares of a larger amount than its existing shares.
- (b) Cancel any shares which, at the date of the passing of the Resolution, have not been taken or agreed to be taken by any person.
- (c) By subdivision of its existing shares or any of them, divide its Capital or any part thereof into shares of smaller amount than is fixed by its Memorandum of Association, so however that in the subdivision the proportion between the amount paid up and the amount (if any) not paid up on each such share of smaller amount shall be the same as it was in the case of the share from which it was derived.

56. The Company may, from time to time, by Special Resolution, reduce its Share Capital and any Capital Redemption Reserve Fund or Share Premium Account.

Power to reduce Capital and Capital Redemption Reserve Fund and Share Premium Account.

57. Anything done in pursuance of either of the last two preceding Articles shall be done in manner provided, and subject to any conditions imposed, by the Statutes, so far as they shall be applicable, and so far as they shall not be applicable, in accordance with the terms of the Resolution authorising the same, and so far as such Resolution shall not be applicable, in such manner as the Directors deem most expedient.

Procedure.

MODIFICATION OF RIGHTS OF SHARES

58. Subject to the provisions of Section 72 of the Act, all or any of the special rights or privileges attached to any class of shares in the Capital of the Company for the time being may, at any time, as well before as during liquidation, be affected, altered, modified or abrogated

Alteration of special rights of any class of shares.

either with the consent in writing of the holders of not less than three-fourths of the issued shares of the class or with the sanction of an Extraordinary Resolution passed at a separate General Meeting of the holders of shares of the class, and all the provisions contained in these Articles relating to General Meetings shall *mutatis mutandis* apply to every such meeting, but so that the quorum thereof shall be not less than two persons personally present and holding or representing by proxy one-third of the issued shares of the class, and that any holder of shares of the class, present in person or by proxy, may demand a poll, and that each holder of shares of the class present in person or by proxy shall on a poll be entitled to one vote for each share of the class held by him, and if at any adjourned meeting of such holders such quorum as aforesaid is not present, any two holders of shares of the class who are personally present shall be a quorum. The Directors shall comply with the provisions of Section 143 of the Act as to forwarding a copy of any such Consent or Resolution to the Registrar of Companies.

GENERAL MEETINGS

General Meetings.

59. A General Meeting shall be held once in every year, at such time and place as may be determined by the Company in General Meeting, or failing such determination by the Directors, but so that not more than fifteen months shall elapse between the holding of any two successive meetings.

Annual and Extraordinary General Meetings.

60. The General Meetings referred to in the last preceding Article shall be called Annual General Meetings. All other General Meetings shall be called Extraordinary General Meetings.

Convening of Extraordinary General Meetings.

61. The Directors may convene an Extraordinary General Meeting whenever they think fit. Extraordinary General Meetings shall also be convened on such requisition or, in default, may be convened by such requisitionists, as provided by Section 132 of the Act.

Notice of meetings.

62. Twenty-one clear days' notice of every Annual General Meeting and of every Extraordinary General Meeting at which it is proposed to pass a Special Resolution, and fourteen clear days' notice of every other Extraordinary General Meeting shall be given in manner hereinafter mentioned to such members as are, under the provisions of these Articles, entitled to receive such notices from the Company and to the Directors of the Company and to the Auditors, but the accidental omission to give such notice to, or the non-receipt of such notice by, any member or other person entitled thereto shall not invalidate any Resolution passed at any meeting had at any such meeting.

63. Every notice of meeting shall specify the place, the day and the hour of the meeting, and in the case of special business, the general nature of such business, and shall also state with reasonable prominence that a member entitled to attend and vote at the meeting may appoint a proxy to attend and vote thereat instead of him and that the proxy need not also be a member. In the case of a meeting convened for passing a Special or Extraordinary Resolution the notice shall also specify the intention to propose the Resolution as a Special or Extraordinary Resolution as the case may be. The Company shall comply with the provisions of Section 140 of the Act as to giving notice of Resolutions and circulating statements on the requisition of members.

What notice is to specify.

PROCEEDINGS AT GENERAL MEETINGS

64. All business shall be deemed special that is transacted at an Extraordinary General Meeting, and all business that is transacted at an Annual General Meeting shall also be deemed special, with the exception of declaring a dividend, the consideration of the accounts and balance sheet and the reports of the Directors and Auditors, and other documents required to be annexed to the balance sheet, the appointment and fixing of remuneration of the Auditors, the voting of remuneration or extra remuneration to the Directors, and the appointment of Directors in the place of those retiring.

Special business and business of Annual General Meeting.

65. No business shall be transacted at any General Meeting unless the requisite quorum is present when the meeting proceeds to business. Two members present in person or by proxy and together holding at least 100 shares in the Capital of the Company shall be a quorum for all purposes.

Quorum.

66. If within half an hour from the time appointed for the holding of a General Meeting a quorum be not present, the meeting if convened on the requisition of members, shall be dissolved. In any other case, it shall stand adjourned to the same day in the next week (or if that day be a holiday, to the next working day thereafter), at the same time and place as the original meeting, or to such other day, and at such other time and place as the Directors may determine, and if at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting, any two members who are personally present shall be a quorum, and may transact the business for which the meeting was called.

Adjournment if quorum not present.

67. With the consent of any meeting at which a quorum is present the Chairman thereof may adjourn the same, from time to time, and from place to place. Whenever a meeting is adjourned for twenty-eight days or more, notice of the adjourned meeting shall be given in the same manner as of an original meeting. Save as aforesaid, no person shall be entitled to any notice of an adjournment, or of the business to be transacted at an

Adjournments.

adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

Chairman.

68. The Chairman or, if absent, the Deputy-Chairman (if any) of the Board of Directors, or failing him one of the Directors appointed for that purpose by the Directors or (failing such appointment) by the members present, shall preside at every General Meeting, but if no Director shall be present within fifteen minutes after the time appointed for holding the same, or if no one of the Directors present is willing to act as Chairman, the members present shall choose some member present to be Chairman of the meeting.

Voting.

Demand for poll.

69. At every General Meeting a Resolution put to the vote of the meeting shall be decided on a show of hands of the members present in person and entitled to vote, unless before or upon the declaration of the result of the show of hands a poll be demanded by the Chairman of the meeting or by at least five members present in person or by proxy, or by a member or members present in person or by proxy representing not less than one-tenth of the total voting rights of all the members having the right to attend and vote at the meeting at which the poll is demanded or by a member or members holding not less than one-tenth of the capital paid up upon the shares of the Company conferring the right to attend and vote at such meeting. Unless a poll be so demanded, a declaration by the Chairman of the meeting that a Resolution has been carried, or has been carried by a particular majority, or lost, or not carried by a particular majority, shall be conclusive, and an entry to that effect in the books of proceedings of the Company shall be conclusive evidence thereof, without proof of the number or proportion of the votes recorded in favour of or against such Resolution.

How poll is to be taken.

70. If a poll be demanded in manner aforesaid, it shall be taken at such time (either at the meeting at which the poll is demanded or within fourteen days after the said meeting) and place and in such manner as the Chairman of the meeting shall direct, and the result of the poll shall be deemed to be a Resolution of the meeting at which the poll was demanded. The demand of a poll may be withdrawn. No poll shall be demanded on the election of a Chairman of a meeting, and a poll demanded on a question of adjournment shall be taken at the meeting without adjournment.

Chairman's casting vote.

71. In the case of an equality of votes, either on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, as the case may be, shall be entitled to a further or casting vote in addition to the vote to which he may be entitled as a member

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

Continuance of
business after
demand for poll.

VOTES OF MEMBERS

73. Subject to any special rights or restrictions for the time being attaching to any special class of shares in the Capital of the Company, on a show of hands every member personally present shall be entitled to one vote only, and in case of a poll every member shall (subject as hereinafter provided) be entitled to one vote for every share held by him.

Voting rights.

74. On a poll votes may be given either personally or by proxy. A proxy need not be a member of the Company.

How votes may
be given and who
can act as proxy.

75. Any corporation which is a member of the Company may, by resolution of its directors or other governing body, authorise any person to act as its representative at any meeting of the Company or of any class of members of the Company ; and such representative shall be entitled to exercise the same powers on behalf of the corporation which he represents as if he had been an individual member, including power, when personally present, to vote on a show of hands, and to demand or concur in demanding a poll.

Representation of
companies which
are members of
this Company at
meetings.

76. Where there are joint registered holders of any share, any one of such persons may vote at any meeting either personally or by proxy in respect of such share as if he were solely entitled thereto, and if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons whose name stands first in the Register in respect of such share shall alone be entitled to vote in respect thereof.

Voting rights
of joint holders

77. A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, *curator bonis*, or other person in the nature of a committee or *curator bonis* appointed by that Court, and any such committee, *curator bonis* or other person may, on a poll, vote by proxy.

Voting rights of
lunatic members.

78. The instrument appointing a proxy shall be in writing under the hand of the appointor, or his attorney, duly authorised in writing, or if such appointor be a corporation under its Common Seal, if any, and if none, then under the hand of some officer or attorney duly authorised in that behalf.

Execution of
proxies.

79. The instrument appointing a proxy shall be deemed also to confer authority to demand or concur in demanding a poll.

Proxy may demand
a poll.

Form of proxy.

80. Every instrument of proxy shall, as nearly as circumstances will permit, be in the following form or to the effect following :-

" THE GENERAL LIFE ASSURANCE COMPANY.

" I/We,

" of

" in the County of , being a

" member/members of the above-named Company, hereby appoint

"

" of

" or failing him

" of

" or failing him

" of

" as my/our proxy to vote for me/us and on my/our behalf at the

" [Annual or Extraordinary or Adjourned, *as the case may be*]

" General Meeting of the Company, to be held on the day of

" and at every adjournment thereof.

" Signed this day of , 19 ."

Deposit of proxies.

81. 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 such power or authority, shall be deposited at the Office, or at such other place within the United Kingdom as is specified for that purpose in the Notice convening the meeting, at least twenty-four hours before the time appointed for holding the meeting, or adjourned meeting (as the case may be), at which the person named in such instrument proposes to vote ; otherwise the person so named shall not be entitled to vote in respect thereof. No instrument appointing a proxy shall be valid except for the meeting mentioned therein and any adjournment thereof.

Power to members abroad to appoint attorney.

82. Any member residing out of or absent from the United Kingdom may by power of attorney executed either before or after leaving the United Kingdom appoint any person to be his attorney - the purpose of voting at any meeting, and such power may be a special power limited to any particular meeting, or a general power extending to all meetings at which such member is entitled to vote. Every such power shall be produced at the Office and left there for at least twenty-four hours before being acted upon.

Intervening death of principal not to revoke proxy.

83. A vote given in accordance with the terms of an instrument of proxy or power of attorney shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or power of attorney or authority, or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer shall have been received at the Office twenty-four hours at least before the time fixed for holding the meeting.

DIRECTORS

84. (a) The Directors shall not, unless otherwise determined by the Company in General Meeting, be less than seven or more than fifteen in number.

Number of
Directors.

(b) The shareholding qualification for Directors may be fixed by the Company in General Meeting and unless and until so fixed, no qualification shall be required.

Qualification
of Directors.

85. The Directors may, at any time, and from time to time, appoint any person to be a Director, either to fill a casual vacancy, or by way of addition to their number; provided that the number of Directors shall not at any time exceed the maximum number fixed by, or in accordance with, these Articles. Any Director so appointed shall retire from office at the next following Annual General Meeting of the Company, but shall then be eligible for re-appointment.

Power to appoint
additional
Directors.

86. The continuing Directors at any time may act notwithstanding any vacancy in their body; provided always that, in case the Directors shall at any time be reduced in number to less than the minimum number fixed by or in accordance with these Articles, it shall be lawful for them to act as Directors for the purpose of filling up vacancies in their body or calling a General Meeting of the Company, but not for any other purpose.

Power to act
notwithstanding
vacancy.

87. The Directors shall be paid out of the funds of the Company all their travelling, hotel and other expenses properly incurred by them in and about the business of the Company, including their expenses of travelling to and from meetings of the Directors, or committee meetings, or General Meetings. Each of the Directors shall also be paid out of the funds of the Company by way of remuneration for his services as Director in the case of those Directors who are not for the time being holding whole-time executive appointments in the management of the business of the General Accident Fire & Life Assurance Corporation Limited or of any of its subsidiary companies for the time being at the rate of £250 per annum or such greater rate as the Company may by Ordinary Resolution determine and in the case of those Directors holding such appointments as aforesaid, such sum or sums respectively (if any) as the Company may by Ordinary Resolution determine.

Remuneration of
Directors.

88. The Directors may grant special remuneration to any Director who, being called upon, shall perform any special or extra services to or at the request of the Company. Such special remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be made payable by a lump sum or by way of salary, or by a percentage of profits or (subject to the approval of the Company in General Meeting in any case in which such approval is required by Section 191 of the Act) by provision for himself or any of his dependents after determination of his services in any manner provided in Article 92 hereof, or by any or all or partly by one and partly by another or others of those modes.

Special
remuneration.

Director's notice
of resignation.

89. A Director may, save as provided by any contract with him to the contrary, at any time give notice in writing to the Company of his wish to resign, and on the service of such notice on the Company he shall *ipso facto* vacate his office as Director.

POWERS OF DIRECTORS

General powers
of Directors to
manage Company's
business.

90. The business of the Company shall be managed by the Directors who may exercise all such powers of the Company, and do on behalf of the Company all such acts as may be exercised and done by the Company, and as are not by the Statutes or by these Articles required to be exercised or done by the Company in General Meeting, subject nevertheless to any regulations of these Articles, to the provisions of the Statutes, and to such regulations (being not inconsistent with the aforesaid regulations or provisions) as may be prescribed by the Company in General Meeting, but no regulations made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if such regulations had not been made.

Policies to
state limit of
liability.

91. The Directors shall cause it to be stated in every policy by which an assurance dependent upon life may be effected by the Company, and in every Deed by which an annuity may be granted by the Company, that the subscribed capital and other the stocks, funds, and securities and property of the Company which at the time of any claim or demand made in respect of such policy or annuity shall remain unapplied and undisposed of shall alone be liable to make good all claims and demands upon the Company in respect of such policy or annuity.

Pensions, etc.

92. (1) The Directors may procure the establishment and maintenance of any non-contributory or contributory pension or superannuation funds or life insurance scheme for the benefit of, and the grant of donations, gratuities, pensions, allowances, benefits or emoluments to, any persons who are or shall have been at any time in the employment or service of the Company, or of any company which is a subsidiary of the Company (including Directors appointed to offices in the management of the business of the Company or of any such other company as aforesaid) and the wives, widows, families or dependents of any such persons.

(2) The Directors may also procure the establishment and subsidy of or subscription to any institution, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other company as aforesaid, or of any such persons as aforesaid, and payments for or towards the insurance of any such persons as aforesaid, and subscriptions or guarantees of money for charitable or benevolent objects or for any exhibition or for any public, general or useful object.

(3) The Directors may procure any of the matters aforesaid to be done by the Company either alone or in conjunction with any such other company as aforesaid.

SEAL

93. The Seal shall not be affixed to any instrument, except by the general or special authority of a Resolution of the Directors, or of a Committee of the Directors, and in the presence of at least one Director and the Secretary or some other person authorised by the Directors, and such Director and the Secretary or other person as aforesaid, as the case may be, shall sign autographically every instrument to which the Seal shall be so affixed in their presence ; and in favour of any purchaser or person *bona fide* dealing with the Company, such signatures shall be conclusive evidence of the fact that the Seal has been properly affixed. Every certificate of shares or debentures of the Company shall be issued under the Seal.

Formalities for affixing Seal.

BORROWING POWERS

94. The Directors may, from time to time, at their discretion, raise or borrow, or secure the payment of any sum or sums of money for the purposes of the Company, but so that the aggregate amount at any one time outstanding in respect of money so raised, borrowed or secured by the Company, shall not without the sanction of the Company in General Meeting exceed the nominal amount of the issued Share Capital of the Company for the time being uncalled, but no lender shall be bound to see that this limit is observed.

Power to borrow money.

95. The Directors may raise or serve the repayment of such moneys in such manner and upon such terms and conditions as they may think fit, and in particular by the issue of debentures, redeemable or perpetual, charged upon all or any part of the property of the Company (both present and future), including its uncalled Capital for the time being.

Power to secure repayment by debentures and other means.

96. Any debentures may be made assignable free from any equities between the Company and the person to whom the same may be issued, and may be issued at a discount, premium, or otherwise, and with any special privileges as to redemption, surrender, drawings, and otherwise upon such terms and conditions as the Directors shall think fit, and may be constituted or collaterally secured by a Trust Deed or otherwise.

Power to issue debentures at discount or premium and with special rights.

97. The Directors shall duly comply with the requirements of Part III of the Act in regard to the registration of mortgages and charges, the keeping of registers of debenture holders and otherwise. A fee of one shilling shall be payable for each inspection of the register of debenture holders by any person other than a registered holder of debentures or a member of the Company.

Registration and inspection of mortgages.

DISQUALIFICATION OF DIRECTORS

Vacation of office
of Director.

98. The office of a Director shall *ipso facto* be vacated :—

- (a) If he is prohibited from being a Director by reason of any order made under the Statutes.
- (b) If a receiving order is made against him or he makes any arrangement or composition with his creditors.
- (c) If he is found a lunatic or becomes of unsound mind.
- (d) If he ceases to hold his qualification (if any) as a Director or does not obtain the same within the prescribed time.
- (e) If he absents himself from attendance at meetings of the Directors continuously for the space of six months without special leave of absence from the Directors, and they pass a Resolution that he has by reason of such absence vacated office.
- (f) If by notice in writing, as hereinbefore provided, he resigns his office.
- (g) If he is removed by an Ordinary Resolution of the Company in General Meeting in accordance with the relative provisions of these Articles.

Directors to
vacate office at
age of 80.

99. The provisions of Section 185 (1)—(6) of the Act shall not apply to the Company, but no person shall be capable of being elected or appointed a Director after he shall have attained the age of 80 years, and any Director who shall whilst holding office as such attain that age shall vacate office at the conclusion of the Annual General Meeting commencing next after he attains such age.

Power of Directors
to hold offices of
profit and to
contract with
Company.

100. (1) A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Directors in accordance with Section 199 of the Act.

(2) A Director shall not vote in respect of any contract or arrangement in which he is interested, and if he shall do so his vote shall not be counted, nor shall he be counted in the quorum present at the meeting, but neither of these prohibitions shall apply to—

- (a) any arrangement for giving any Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company, or
- (b) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security, or

- (c) any contract by a Director to subscribe for or underwrite shares or debentures of the Company, or
- (d) any contract or arrangement with any other company in which he is interested only as an officer of that company or as holder of shares or other securities, or
- (e) any matter relating to any existing or proposed superannuation or pension fund of which or in which a Director may be or be about to become a member or have or be about to acquire any other interest,

and this prohibition may at any time be suspended or relaxed to any extent, and either generally or in respect of any particular contract, arrangement or transaction, by the Company in General Meeting.

(3) A Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of 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 Company, 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 Company 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 Company 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.

(4) 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 Company, or 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.

(5) Any Director may act by himself or his firm in a professional capacity for the Company, 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 of the Company.

(6) Any Director may continue to be or become a director of, or hold any other office or place of profit under any other company in which the Company may be interested, and no such Director shall be accountable for any remuneration, salary, profit or other benefits received by him as a director of, or holder of any other office or place of profit under, or member of any such other company. The

Directors may exercise the voting power conferred by the shares in any company held or owned by the Company in such manner in all respects as they think fit (including the exercise thereof in favour of any Resolution appointing themselves or any of them directors of such company, or voting or providing for the payment of remuneration to the directors of such company), and any Director of the Company may vote in favour of the exercise of such voting rights in manner aforesaid, notwithstanding that he may be, or be about to be, appointed a director of such other company, and as such is or may become interested in the exercise of such voting rights in manner aforesaid.

ROTATION OF DIRECTORS

Retirement
of Directors.

101. At the Annual General Meeting in every year any Directors bound to retire under Article 85 and one-third of the other Directors (excluding a Managing Director or Managing Directors or other Director holding any office in the management of the business of the Company) for the time being, or, if their number is not a multiple of three, then the number nearest to one-third but not exceeding one-third, shall retire from office. A retiring Director shall retain office until the close of the meeting at which he retires.

Selection of
Directors to retire.

102. The Directors to retire at the Annual General Meeting in each year (other than those bound to retire under Article 85) shall be the Directors who have been longest in office since their last appointment. As between Directors of equal seniority, the Directors to retire shall, unless they shall agree among themselves, be selected from among them by lot. A retiring Director shall be eligible for re-appointment.

Filling vacated
office.

103. The Company may, at the meeting at which any Directors retire in manner aforesaid, fill up the vacated office of each Director so retiring by appointing a person thereto, and may also fill up any other vacancies: Provided always that no person, not being a Director retiring at the meeting, shall, unless recommended by the Directors for appointment, be eligible for appointment to the office of Director at any General Meeting, unless at least seven clear days before the day fixed for the meeting there has been given to the Secretary notice in writing by some member entitled to attend and vote at the meeting of his intention to propose such person for appointment, and also notice in writing signed by the person to be proposed of his willingness to be appointed.

Notice of intention
to appoint
Director.

Retiring Director
deemed to be
re-appointed.

104. If at any meeting at which an appointment of Directors ought to take place the office vacated by any retiring Director is not filled up, such retiring Director shall, if duly qualified and offering himself for re-appointment, be deemed to have been re-appointed, unless at such meeting it is expressly resolved not to fill such vacated office, or unless a resolution for the re-appointment of such retiring Director shall have been put to the meeting and lost.

105. Subject to the provisions of these Articles, and provided that no Resolution for the removal of a Director shall be valid unless special notice thereof shall have been given in accordance with Section 142 of the Act, the Company may, from time to time, in General Meeting, appoint new Directors, and increase or reduce the number of Directors, and remove any Director before the expiration of his period of office, and, if thought fit, appoint another person in his stead, and any person so appointed shall, for the purpose of determining the time at which he or any other Director is to retire by rotation, be deemed to have become a Director on the date of the last appointment of the Director in whose place he is appointed.

Removal of
Directors.

Increase and
reduction of
number of
Directors.

106. Every Resolution of a General Meeting for the appointment of a Director shall relate to one named person, and a single Resolution for the appointment of two or more persons shall be void.

Separate
Resolutions for
appointment of
each Director.

PROCEEDINGS OF DIRECTORS

107. The Directors may meet together for the despatch of business, adjourn, and otherwise regulate their meetings as they think fit, and determine the quorum necessary for the transaction of business. Until otherwise determined by the Directors two Directors shall be a quorum. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the Chairman of a meeting shall have a second or casting vote.

Board Meetings.

Quorum.

Votes.

Casting vote.

108. The Chairman or Deputy-Chairman may, and on the request of any Director, the Secretary shall, at any time summon a meeting of the Directors, by notice served upon the several Directors.

Notice of Meetings.

109. No Director for the time being out of the United Kingdom shall be entitled to notices of meetings of the Directors, but the alternate Director (if any) in the United Kingdom acting in his place shall be entitled to notices of such meetings.

Directors abroad.

110. The Directors may from time to time appoint a Chairman and (if they think fit) a Deputy-Chairman and determine the period for which they respectively are to hold office. The Chairman, or failing him the Deputy-Chairman, shall preside at all meetings of the Directors, but if no such Chairman or Deputy-Chairman be appointed, or if he be not present within fifteen minutes after the time fixed for holding the meeting, the Directors present shall choose one of their number to act as Chairman of such meeting, and the Director so chosen shall preside at such meeting accordingly.

Chairman and
Deputy Chairman.

111. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions for the time being vested in or exercisable by the Directors generally.

Competence of
Board Meetings.

Power to appoint committees.

112. The Directors may from time to time appoint Committees consisting of such member or members of their body as they think fit, and may delegate any of their powers to any such Committee, and from time to time revoke any such delegation and discharge any such Committee wholly or in part. Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Directors.

Chairman of committee.

113. A Committee may appoint a Chairman of its meetings. If no such Chairman be appointed, or if at any meeting he be not present within fifteen minutes after the time fixed for holding the meeting, the members present shall choose one of their number to be Chairman of such meeting.

Procedure at committee meetings.

114. Committees may meet and adjourn as they think proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in case of an equality of votes the Chairman of the meeting shall have a second or casting vote.

Validity of acts of Directors in spite of formal defect

115. All acts *bona fide* done by any meeting of the Directors, or of a Committee of Directors, or by any person acting as a Director, shall, notwithstanding it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and qualified to be a Director.

Directors to keep minutes.

116 The Directors shall cause minutes to be made in books provided for the purpose :—

- (a) Of all appointments of officers made by the Directors.
- (b) Of the names of all the Directors present at each meeting of the Directors and of any Committee of Directors.
- (c) Of all Resolutions passed and proceedings had by and at all meetings of the Company, and of the Directors and of any Committee of Directors.

And any such minutes as aforesaid, if purporting to be signed by the Chairman of the meeting at which such appointments were made, or such Directors were present, or such Resolutions were passed or proceedings had (as the case may be), or by the Chairman of the next succeeding meeting of the Company, or Directors or Committee (as the case may be), shall be sufficient evidence without any further proof of the facts therein stated.

MANAGING DIRECTORS AND OTHER APPOINTMENTS

117. The Directors may, from time to time, appoint one or more of their number to be Managing Director or Managing Directors of the Company, or to hold such other office in the management of the business of the Company as they may decide, and for such period as the Directors shall think fit, and the Directors may also from time to time (subject to the provisions of any agreement between him or them and the Company) remove him or them from office, and appoint another or others in his or their place or places.

Appointment of
Managing
Directors.

118. The remuneration and other terms and conditions of appointment of a Managing Director or Director holding any other office in the management of the business of the Company shall from time to time (subject to the provisions of any agreement between him and the Company), be fixed by the Directors, and may be by way of fixed salary, or commission on the dividends, profits or turnover of the Company, or of any other company in which the Company is interested, or other participation in any such profits, or (subject to the approval of the Company in General Meeting in any case in which such approval is required by Section 191 of the Act) by provision for himself or any of his dependents after determination of his services in any manner provided in Article 92 hereof, or by any or all or partly by one and partly by another or others of those modes, and (subject as aforesaid) the remuneration so fixed shall be additional to the remuneration to which he shall be entitled as a Director of the Company.

Remuneration of
Managing Director.

119. A Managing Director, or Director holding any other office in the management of the business of the Company, shall not, while he continues to hold such office, be subject to retirement by rotation, or be taken into account in determining the rotation of retirement of Directors, but (subject to the provisions of any agreement between him and the Company) he shall be subject to the same provisions as to resignation and removal as the other Directors of the Company and shall *ipso facto* and immediately cease to be Managing Director or to hold any other office in the management of the business of the Company if he cease to hold the office of Director from any cause.

Tenure of office
of Managing
Director.

120. The Directors may, from time to time, entrust to and confer upon any Managing Director or Director holding any other office in the management of the business of the Company, such of the powers exercisable under these Articles by the Directors (other than the power to make calls, forfeit shares, borrow money or issue debentures) as they may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions, as they may consider expedient, and may confer such powers collaterally with, or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

Power and duties
of Managing and
other Directors.

LOCAL MANAGEMENT

Power to appoint
local managers.

121. The Directors may, from time to time, provide for the management and transaction of the affairs of the Company in any specified locality, whether at home or abroad, in such manner as they think fit, and the provisions contained in the three next following Articles shall be without prejudice to the general powers conferred by this Article.

Delegation of
powers to local
boards.

122. The Directors may, from time to time, and at any time, establish any Local Board or agency for furthering any of the affairs of the Company in any such specified locality, and may appoint any persons to be members of such Local Board, or Managers, or Agents, and may fix their remuneration. And the Directors may, from time to time, and at any time, delegate to any persons so appointed, any of the powers, authorities and discretions for the time being vested in the Directors (other than their power to make calls, to forfeit shares, borrow money or issue debentures), and may authorise the members for the time being of any such Local Board or any of them to fill up any vacancies therein, and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors think fit, and the Directors may at any time remove any person so appointed, and may annul or vary any such delegation.

Power to appoint
attorney.

123. The Directors may, at any time, and from time to time, by power of attorney under the Seal, appoint any person to be the attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles), and for such period, and subject to such conditions as the Directors may from time to time think fit, and such appointment may (if the Directors think fit) be made in favour of the members or any of the members of any Local Board established as aforesaid, or in favour of any body corporate, or of the members, directors, nominees or managers of any body corporate or unincorporate, or otherwise in favour of any fluctuating body of persons, whether nominated directly or indirectly by the Directors, and any such power of attorney may contain such powers for the protection or convenience of persons dealing with such attorney as the Directors may think fit.

Power to
sub-delegate

124. Any such delegate or attorney as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities or discretions for the time being vested in him.

Power to have
official seal for
use abroad and to
keep Dominion
registers.

125. The Company may exercise all the powers conferred by Section 35 of the Act to have an official seal for use abroad, and such official seal shall be affixed by the authority and in the presence of and the instruments sealed therewith shall be signed by such persons as the

Directors shall from time to time by writing under the Seal appoint. The Company may also exercise the powers conferred by Section 119 of the Act with reference to the keeping of Dominion registers.

SECRETARY

126. The Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit ; and any Secretary so appointed may be removed by them. Appointment of Secretary.

127. A provision of the Act or these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the Secretary. When one person may not act as Director and Secretary.

PROPRIETORS' AND LIFE ASSURANCE FUNDS

128. The Directors shall maintain the three existing funds, called " The Proprietors' Fund," " The First Life Assurance Fund " and " The Second Life Assurance Fund," and shall keep separate and distinct accounts of the said funds. There shall be paid into the said funds respectively (in addition to any other payments provided for in these Articles) the following moneys :-- Constitution of the Funds.

- (a) into The Proprietors' Fund all sums paid by the members as instalments in respect of shares taken or held by them and calls made and instalments collected in respect of shares ;
- (b) into The First Life Assurance Fund the premiums and other sums received and to be received in respect of any species of life assurance effected with the Company, in respect of which the assured shall not be entitled to participate in the profits of the Company, and the premiums and other sums received and to be received in respect of endowments effected with the Company for widows or children or other persons ; and also the sums received and to be received in respect of the sale of annuities granted by the Company ; and
- (c) into The Second Life Assurance Fund the premiums and other sums received and to be received in respect of all life assurances effected with the Company in respect of which the assured shall be entitled to participate in a portion of the profits of the Company.

129. All costs, charges and expenses which shall be incurred by the Company shall be paid out of the several funds respectively as follows, that is to say, such of the costs, charges and expenses incurred by the Company as shall solely and exclusively relate to or in anywise concern Payments to which the Funds are liable.

any species of life assurance which shall not entitle the assured to participate in profits, or to endowments for widows or children, or to annuities granted by the Company, shall be paid out of The First Life Assurance Fund ; such of the costs, charges and expenses incurred by the Company as shall solely and exclusively relate to or in anywise concern any species of life assurance which shall entitle the assured to participate in profits, shall be paid out of The Second Life Assurance Fund such of the costs, charges and expenses incurred by the Company as shall solely and exclusively relate to The Proprietors' Fund shall be paid out of that fund, and all other costs, charges and expenses incurred by the Company shall be paid out of The First Life Assurance Fund and The Second Life Assurance Fund and The Proprietors' Fund respectively in such shares and proportions as the Directors may think proper, and such costs, charges and expenses shall be so respectively charged upon such several funds and shall be deducted therefrom before any division of the same shall be made.

Respective
liabilities of
the Funds.

130. The First Life Assurance Fund and The Proprietors' Fund shall be respectively charged with, and be the only funds for, the payment of those assurances depending upon life effected, or to be effected with, or granted by the Company, which shall not entitle the assured to participate in profits, and for the payment of all endowments for widows and children effected or to be effected with, or granted by the Company, and for the payment of all annuities granted, or to be granted, by the Company, but so that The First Life Assurance Fund shall be primarily liable, and (subject as hereinafter provided) The Proprietors' Fund shall only be secondarily liable, and The Proprietors' Fund shall not be resorted to for any of such purposes until The First Life Assurance Fund shall have been wholly exhausted ; and The Second Life Assurance Fund and The Proprietors' Fund shall be respectively charged with, and be the only funds for the payment of all assurances depending upon life effected, or to be effected with, or granted by the Company which shall entitle the assured to participate in profits, but so that The Second Life Assurance Fund shall be primarily liable, and The Proprietors' Fund shall only be secondarily liable and (subject as hereinafter provided) The Proprietors' Fund shall not be resorted to for any of such purposes until The Second Life Assurance Fund shall have been wholly exhausted. Provided always that if and whenever either The First Life Assurance Fund or The Second Life Assurance Fund shall in the opinion of the Directors be insufficient to meet all the liabilities, whether immediate or prospective or contingent primarily charged thereon as aforesaid, the Directors may at their discretion transfer any sum from The Proprietors' Fund to The First Life Assurance Fund or The Second Life Assurance Fund (as the case may be), and either by way of permanent transfer or by way of advance upon such terms as to interest, repayment or otherwise as the Directors may think proper.

131. The Directors shall, once in every five years, or at such shorter intervals as they may think proper, cause investigation to be made into the financial condition of the Company, and a valuation to be made by an Actuary of the liabilities of The First Life Assurance Fund and The Second Life Assurance Fund respectively, for the purpose of ascertaining the profits which shall have accrued to those funds respectively between the date as at which the last preceding investigation and valuation was made and the 31st December immediately preceding the current investigation and valuation, and may, before applying in manner provided by the succeeding Articles any profits so ascertained as having accrued to either of those funds, set aside such proportion of such profits as they think proper as a provision or reserve to be applicable at any time at their discretion for meeting contingencies or such other purposes as they may think conducive to the interests of the holders of the policies payable primarily out of the fund in question.

Investigation
and valuation.

Provisions and
Reserves.

132. Subject to the provisions of the last preceding Article, the profits of The First Life Assurance Fund shall be justly apportioned between the policies not conferring the right to participate in profits and bearing a date before the 1st day of January, 1926, on the one hand and the policies not conferring the right to participate in profits and bearing a date on or after the 1st day of January, 1926 (hereinafter in this clause and in Article 133 referred to as "the post-1925 non-participating policies"), on the other hand, and 100 per centum of the amount apportioned to the former class of policies or such lesser sum as the Directors, with the approval of the Company in General Meeting, may determine, shall be added to The Proprietors' Fund and the balance, if any, of such amount shall be added to the amount to be vested in the several policyholders referred to in Article 133 (a), and shall be dealt with as therein provided and the amount apportioned to "the post-1925 non-participating policies" shall be added to the amount to be apportioned under Article 133 to "the post-1925 participating policies" referred to in that clause and shall be dealt with as therein provided.

First Life
Assurance Fund.

133. Subject to the provisions of Article 131, the profits of The Second Life Assurance Fund shall be justly apportioned between the policies conferring the right to participate in profits, and bearing a date before the 1st day of January, 1926 (hereinafter in this clause referred to as "the pre-1926 participating policies"), on the one hand, and the policies conferring the right to participate in profits and bearing a date on or after the 1st day of January, 1926 (hereinafter referred to as "the post-1925 participating policies"), on the other hand, and the respective amounts resulting from such apportionment shall be dealt with as follows, that is to say :--

Second Life
Assurance Fund.

- (a) Twenty per centum of the amount apportioned to "the pre-1926 participating policies" or such lesser sum as the Directors, with the approval of the Company in General Meeting, may determine shall be added to The Proprietors' Fund, and the balance of the said amount shall be vested in the several policy holders entitled to participate in the profits, and claiming under policies bearing a date before the 1st day of January, 1926, and shall be divisible amongst them in the proportions and in the manner following, that is to say: First, as to such of the said policy holders as shall claim under policies bearing a date on or before the 31st day of December, 1897, in the proportions which the amount of the premiums paid during the previous five years or shorter period aforesaid by each such policy holder respectively bears to the whole amount of the premiums paid during the same period by all the policy holders entitled to participate in profits and claiming under policies bearing a date before the 1st day of January, 1926, all which several amounts of profits having been so calculated are to be paid to such several policy holders in present money or continued in The Second Life Assurance Fund and the reversionary value thereof in such last case is to be added to the policy according to the age of the party or an equivalent reduction shall be made in the future premiums payable during the ensuing five years or during the whole of life as may be deemed expedient in respect of such policy in accordance with the selection made at the time when the policy was effected. And secondly, as to such of the said policy holders as shall claim under policies bearing a date subsequent to the said 31st day of December, 1897, by an addition to each policy of a uniform percentage of the sum for the time being assured (including existing reversionary bonuses) for each year of the quinquennial or other period the subject of the calculations that such policy has been in force, but so that the present value of each such reversionary addition may, at the option of the policy holder, be received in cash or commuted into an equivalent reduction in the future premiums payable in respect of such policy.
- (b) The amount apportioned to "the post-1925 participating policies" (augmented by the amount apportioned to "the post-1925 non-participating policies" under Clause 132 and forming therewith one fund) shall as to 10 per centum thereof be added to The Proprietors' Fund and as to the remaining 90 per centum thereof, or so much of such 90 per centum as shall not have been applied under the proviso hereinafter in this clause contained shall be divisible among the several

policies bearing date after the 31st day of December, 1925, in the proportions and in manner following, that is to say : By an addition to each such policy of a uniform percentage of the sum for the time being assured (excluding existing reversionary bonuses) for each year in which a premium has been paid or would have been paid had the number of premiums not been limited by the terms of the policy on such policy during the quinquennial or other period the subject of the calculation (premiums representing a fraction of a year ranking for bonus for a corresponding proportion of the full annual rate), but so that the present value of each such reversionary addition may at the option of the policy holders be received in cash or commuted into an equivalent reduction in any future premiums payable in respect of such policy.

Upon any policy entitling the holder to participate in profits maturing during any such quinquennial or other period by death or on a particular date, such holder or, as the case may be, his legal personal representatives or assigns, shall be entitled to be paid in addition to all other moneys payable in respect of such policy, such a sum as the Directors, having regard to the proportion of the said quinquennial or other period during which such policy shall have been on foot, and to the best estimate which the Directors shall be able to make of the amount likely to be distributed among the holders of the like class of policies at the end of such quinquennial or other period, shall consider to be fairly payable in respect of such policy.

134. The Company may by Special Resolution increase the amount of profit to be allowed to persons assured for the whole term of life.

Power to increase profits in which policy holders participate.

135. The several calculations necessary to be made, as well for the purpose of ascertaining the amounts of profits which shall have accrued to The First Life Assurance Fund, The Second Life Assurance Fund and The Proprietors' Fund, or either of them as for the purpose of dividing, appropriating, apportioning, allotting and applying such profits or any part thereof when the same shall have been ascertained, and for any other purpose shall be made by such person or persons as the Directors shall appoint for that purpose, and all such calculations, or the results thereof, when signed by such person or persons as shall be appointed to make the same, and approved by the Directors, shall be deemed to be correct and accurate, and notwithstanding the subsequent discovery of any error therein shall be binding and conclusive on the members and all persons assured by the Company and their respective executors, administrators and assigns.

Calculations to be made.

136. As to the money and property constituting The Proprietors' Fund, and as to such part of The First Life Assurance Fund and The Second Life Assurance Fund as shall not be required to satisfy the

Investment of surplus funds.

immediate claims upon the Company on the said funds respectively the Directors shall lay out and invest the same in the purchase, or upon the security of such securities as the Directors shall think proper ; and the Directors may lend any such sum or sums of money as they may think proper upon the personal security of any person or persons with or without a surety, or collateral security of a policy of life assurance, or with or without collateral security, or upon the security of shares of any of the Proprietors of the Company ; or the Directors may, if they think proper, place any sum or sums of money at interest with any banker, banking company or money or discount broker, or discount, credit or financial or other similar company, whether with or without security, and at such rate of interest and upon such terms as they may think fit ; and the Directors may, when and as they shall think proper so to do, cause any of the funds or property of the Company which may be laid out and invested in any of the ways aforesaid to be disposed of, called in, or otherwise converted into money, and the money thereby arising to be similarly laid out and invested.

DIVIDENDS AND RESERVES

Application of
profits in payment
of dividends.

137. Subject to any rights or privileges for the time being attached to any shares in the Capital of the Company having preferential or special rights in regard to dividend, the profits of the Company for the time being standing to the credit of The Proprietors' Fund which it shall from time to time be determined to distribute by way of dividend shall be applied in payment of dividends upon the shares of the Company in proportion to the amounts paid up thereon respectively otherwise than in advance of calls. Provided that if any share be issued upon terms providing that it shall rank for dividend as from or after a particular date, such share shall rank for dividend accordingly.

Declaration of
dividends.

138. The Company in General Meeting may, from time to time, declare a dividend to be paid to the members, according to their rights and interests in the profits, and may fix the time for payment of such dividend.

Dividend to be
payable only
out of profits.

139. No dividend shall be payable except out of the profits of the Company credited to The Proprietors' Fund, and no dividend shall carry interest against the Company. The declaration of the Directors as to the amount of the profits of the Company at any time available for payment of dividends shall be conclusive.

No larger
dividend than
recommended by
Directors.

140. No larger dividend shall be declared than is recommended by the Directors, but the Company in General Meeting may declare a smaller dividend.

Interim dividends.

141. The Directors may, if they think fit, and if in their opinion the position of the Company justifies such payment, from time to time declare and pay an interim dividend.

142. The Directors may, before recommending any dividend, out of the profits of the Company credited to The Proprietors' Fund, write off such sums as they think proper for depreciation, and carry forward in the revenue account of The Proprietors' Fund any such profits they think should not be divided, and may also set aside out of such profits such sum or sums as they think proper as a Reserve or Reserves, which shall at the discretion of the Directors be applicable for meeting contingencies, for the gradual liquidation of any debt or liability of the Company, or for such other purposes as the Directors shall, in their absolute discretion, think conducive to the interests of the Company, or shall, with the sanction of the Company in General Meeting, be as to the whole or in part applicable for equalising dividends, or for distribution by way of special dividend or bonus, or for any other purposes for which the profits of the Company may lawfully be applied, and pending any such application may, at the discretion of the Directors, either be employed in the business of the Company, or be invested as provided in Article 136.

Power to provide for depreciation and carry profits to reserve.

143. With the sanction of an Ordinary Resolution of the Company, any dividend may be paid and satisfied, either wholly or in part, by the distribution of specific assets, and in particular of paid-up shares or debentures of the Company, or of any other company, or partly in one way or partly in the other, and where any difficulty arises in regard to the distribution, the Directors may settle the same as they think expedient, and in particular they may issue fractional certificates, and may fix the value for distribution of such specific assets or any part thereof, and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees upon such trusts for the persons entitled to the dividend as may seem expedient to the Directors. When deemed requisite a proper contract shall be delivered to the Registrar of Companies for registration in accordance with the Statutes, and the Directors may appoint any person to sign such contract on behalf of the persons entitled to such dividend or specific assets.

Power to satisfy dividend in specie.

Fractional certificates and cash adjustments.

To file contracts.

144. The Directors may deduct from any dividend or other moneys payable in respect of any shares held by a member, either alone or jointly with any other member, all such sums of money (if any) as may be presently due and payable by him, either alone or jointly with any other person, to the Company on account of calls or otherwise.

Deduction of debts, due to Company.

145. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

Right to dividend not passed by unregistered transfer.

146. Unless otherwise directed, any dividend, instalment of dividend or interest in respect of any share, may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto, or in the case of joint holders, to the registered address

Dividends payable by cheque.

of that one whose name stands first on the Register in respect of the joint holding, and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent, and the Company shall not be responsible for any loss in transmission, and the payment of the cheque or warrant, if purporting to be duly endorsed, shall be a good discharge to the Company.

CAPITALISATION OF RESERVES, ETC.

Capitalisation.

147. Subject to any consent required by law the Company by Ordinary Resolution may, at any time and from time to time, resolve that any sum not required for the payment or provision of any fixed preferential dividend, and

- (a) for the time being standing to the credit of any Reserve Account of the Company in The Proprietors' Fund, including premiums received on the issue of any debentures of the Company, and any sum carried to reserve therein as a result of a sale or revaluation of the assets of The Proprietors' Fund or goodwill of the Company or any part thereof, or
- (b) being undivided net profits in the hands of the Company and forming part of The Proprietors' Fund,

be capitalised, and that such sum be appropriated as capital to and amongst the Ordinary Shareholders in the proportions in which they would have been entitled thereto if the same had been distributed by way of dividend on the Ordinary Shares, and in such manner as such Resolution may direct, and so that fractional interests may, if such Resolution shall so provide, be disregarded, and such Resolution shall be effective ; provided that no such distribution shall be made unless recommended by the Directors ; and the Directors shall in accordance with such Resolution apply such sum in paying up any unissued shares or debentures of the Company on behalf of such Ordinary Shareholders, and appropriate such shares or debentures to and distribute the same credited as fully paid up amongst such Ordinary Shareholders in the proportions aforesaid, in satisfaction of their shares and interests in the said capitalised sum, or shall apply such sum or any part thereof on behalf of such Ordinary Shareholders in paying up the whole or part of any uncalled balance which shall for the time being be unpaid in respect of any issued shares in the Company held by them respectively, or otherwise deal with such sum as directed by such Resolution. The Company in General Meeting may by Ordinary Resolution also, at any time, and from time to time, resolve that all or any part of the Capital Redemption Reserve Fund or Share Premium Account of the Company be applied in paying up in full any unissued shares in the Company, and appropriate such shares credited as fully paid up amongst the Ordinary Shareholders in the like proportions

and manner aforesaid. Where any difficulty arises in respect of any such distribution, the Directors may settle the same as they think expedient, and in particular they may issue fractional certificates, fix the value for distribution of any fully paid-up shares or debentures, make cash payments to any shareholders on the footing of the value so fixed in order to adjust rights, and vest any shares or debentures in trustees upon such trusts for the persons entitled to share in the distribution as may seem just and expedient to the Directors. When deemed requisite, a proper contract for the allotment and acceptance of any shares or debentures to be distributed as aforesaid shall be executed and (if necessary) delivered to the Registrar of Companies for registration, and the Directors may appoint any person to sign such contract on behalf of the persons entitled to share in the distribution, and such appointment shall be effective, and the contract may provide for the acceptance by such persons of the shares or debentures to be allotted to them respectively in satisfaction of their claims in respect of the sum so capitalised.

ACCOUNTS

148. The Directors shall cause proper books of account of the Company to be kept and the provisions of the Statutes in this regard to be complied with. Directors to keep proper accounts.

149. The books of account shall be kept at the Office, or at such other place in Great Britain as the Directors shall think fit, and shall always be open to the inspection of the Directors. Where books of account to be kept.

150. The Directors shall, from time to time, determine whether in any particular case, or class of cases, or generally, and at what times, and places, and under what conditions or regulations, the books of account of the Company, or any of them, shall be open to the inspection of the members, and no member, not being a Director, shall have any right of inspecting any account, or book, or document of the Company, except as conferred by Statute, or authorised by the Directors, or by Resolution of the Company in General Meeting, nor shall any such member be entitled to require or receive any information concerning the business, trading or customers of the Company. Inspection of books.

151. The Directors shall from time to time cause to be prepared and to be laid before the Company in General Meeting such accounts, reports, abstracts and statements as may be required by the Statutes. Preparation of Accounts, etc.

AUDIT.

152. The provisions of the Statutes as to the appointment, powers, rights, remuneration and duties of the Auditors, shall be complied with. Appointment of Auditors and provisions of Statutes to apply.

NOTICES.

Service of
notices.

153. A notice or other document may be served by the Company upon any member, either personally, or by sending it through the post in a prepaid letter, envelope or wrapper addressed to such member at his address as appearing in the Register.

Members abroad
not entitled to
notices unless they
give address.

154. Any member described in the Register by an address not within the United Kingdom, who shall from time to time give the Company an address within the United Kingdom at which notices may be served upon him, shall be entitled to have notices served upon him at such address, but, save as aforesaid, no member, other than a member described in the Register by an address within the United Kingdom, shall be entitled to receive any notice from the Company.

Notice to joint
holders.

155. All notices directed to be given to the members shall, with respect to any share to which persons are jointly entitled, be given to whichever of such persons is named first in the Register, and notice so given shall be sufficient notice to all the holders of such share.

Service on
Company.

156. Any summons, notice, order, or other document required to be sent to or served upon the Company, or upon any officer of the Company, may be sent or served by leaving the same or sending it through the post in a prepaid letter, envelope, or wrapper, addressed to the Company or to such officer at the Office.

Proof of postage
to be sufficient
proof of service.

157. Any notice or other document, if served by post, shall be deemed to have been served on the day on which the letter, envelope, or wrapper containing the same is put into the post, and in proving such service it shall be sufficient to prove that the letter, envelope or wrapper containing the notice or document was properly addressed and put into the post as a prepaid letter.

Successors in title
to be bound by
notices to
predecessors.

158. Every person who, by operation of law, transfer or any other means whatsoever, shall become entitled to any shares shall be bound by every notice in respect of such shares which previously to his name and address being entered on the Register shall be duly given to the person from whom he derives his title to such shares.

Service of notice
to be sufficient
notwithstanding
death of member
served.

159. Any notice or document served upon or sent to, or left at the registered address of, any member in pursuance of these Articles, shall, notwithstanding that such member be then deceased or bankrupt, and whether or not the Company has notice of his decease or bankruptcy be deemed to have been duly served in respect of any shares held by such member, whether held solely or jointly with other persons, until some other person be registered in his stead as the holder or joint holder of such shares, and such service shall, for all purposes of these Articles, be

deemed a sufficient service of such notice or document on his executors, administrators or assigns, and all persons (if any) jointly interested with him in such shares.

160. The signature to any notice to be given by the Company may be written or printed. Signature of notices.

WINDING UP.

161. (a) Whenever a General Meeting shall have been convened for the purpose of considering the winding-up of the Company, the Directors shall give notice of such meeting by advertisement in three morning and three evening newspapers, or shall cause to be sent to every member and to every person assured by the Company upon a policy or policies either on his own life or effected by any other person, and assigned to him for the whole or joint continuance, or on the survivorship of any life or lives, in the sum of £1,000 and upwards, at least 14 days and not more than 28 days before the time fixed for holding the same, a circular letter, specifying the purpose of such meeting, and the place, day and hour at which it shall be held. Rights of Policyholders.

(b) At every General Meeting which may be called for the purpose of considering the winding-up of the Company, all persons to whom notice is by the last preceding clause directed to be sent shall be entitled to be present, and shall be entitled to one vote for every £1,000 originally assured, whether in one sum or several sums, or by one policy or several policies; and every such person who shall also be a member shall be entitled to vote both in respect of his share and in respect of his assurance, and shall in such case, whatever the number of his shares may be, have an additional vote for every £1,000 so originally assured.

(c) No vote in respect of any assurance may be given by proxy.

(d) No question relating to the winding-up of the Company shall be deemed to have been decided in the affirmative unless passed both by a special resolution of the Company and by a majority of two-thirds of the policy holders of the Company present at the same meeting at which such special resolution was passed.

162. If the Company shall be wound up, the surplus assets remaining after payment of all creditors shall be divided among the members in proportion to the capital which at the commencement of the winding up is paid up, or ought to have been paid up, on the shares held by them respectively, and if such surplus assets shall be insufficient to repay the whole of the paid-up Capital, they shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid up, or which ought to have been paid up, at the Rule for division of assets in liquidation.

commencement of the winding up on the shares held by them respectively. But this Article is to be subject to the rights of any shares which may be issued on special terms or conditions.

Powers to
distribute
in specie.

163. If the Company shall be wound up the Liquidator (whether voluntary or) may, with the sanction of an Extraordinary Resolution, distribute among the members in specie any part of the assets of the Company or vest any part of the assets of the Company in trustees upon such trusts for the benefit of the members or any of them as the Resolution shall provide. Any such Resolution may provide for and sanction a distribution of any specific assets amongst different classes of members otherwise than in accordance with their existing rights, but each member shall in that event have a right of dissent and other ancillary rights in the same manner as if such Resolution were a Special Resolution passed pursuant to Section 287 of the Act.

Members abroad
to give address
for service.

164. In the event of a winding up of the Company every member of the Company who is not for the time being in the United Kingdom shall be bound, within fourteen days after the passing of an effective Resolution to wind up the Company voluntarily, or within the like period after the making of an order for the winding up of the Company, to serve notice in writing on the Company appointing some householder in London upon whom all summonses, notices, processes, orders and judgments in relation to or under the winding up of the Company may be served, and in default of such nomination the Liquidator of the Company shall be at liberty on behalf of such member to appoint some such person, and service upon any such appointee shall be deemed to be a good personal service on such member for all purposes, and where the Liquidator makes any such appointment he shall, with all convenient speed, give notice thereof to such member by advertisement in "The Times," or by a registered letter sent through the post and addressed to such member at his address as mentioned in the Register, and such notice shall be deemed to be served on the day following that on which the advertisement appears or the letter is posted.

INDEMNITY.

Indemnity of
Directors and
Officers.

165. Every officer of the Company, and every person who shall act as Auditor of the Company, shall be indemnified out of the funds of the Company against all liability incurred by him as such officer or Auditor in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted, or in connection with any application under Section 448 of the Act in which relief is granted to him by the Court.