THE STANDARD LIFE ASSURANCE COMPANY'S ACT 1925

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Secretary

An Act to re-incorporate the Standard Life Assurance Company to provide for the control and management of the Company as a mutual company and for the conversion of its share capital into perpetual stock to confer further powers on the Company to repeal existing Acts and for other purposes.

[31st July 1925.]

WHEREAS by contract of copartnery bearing date the twenty-ninth day of August one thousand eight hundred and twenty-five and various subsequent dates certain persons therein named and designed and thereto subscribing formed themselves into a company (hereinafter called "the Company") as from and after the twenty-third day of March one thousand eight hundred and twenty-five under the name of "The Life Insurance Company of Scotland" for the purpose of carrying on the business of making or effecting assurances on lives and survivorships and of making or effecting all such other assurances connected with life as may be effected according to law and of granting and selling annuities either for lives or otherwise and on survivorships and of purchasing annuities either for lives or otherwise and of granting endowments for children and other persons and of receiving investments of money for accumulation:

AND WHEREAS by the Standard Life Assurance Company's Act 1832 the name of the Company was changed to that of the Standard Life Assurance Company and various powers and privileges were conferred on the Company to be exercised according to the rules orders and regulations and under the conditions powers burdens and declarations set forth in that Act:

And whereas the powers and privileges of the Company were from time to time enlarged and extended by the Standard Life Assurance Company's Act 1845 the Standard Life Assurance Company's Act 1859 the Standard Life Assurance Company's Act 1883 and the Standard Life Assurance Company's Act 1891:

And whereas by the Standard Life Assurance Company's Act 1910 the recited contract of copartnery was annulled and the Company was incorporated as a company limited by shares with a share capital of five hundred thousand pounds divided into fifty thousand shares of ten pounds each and the several recited Acts were repealed and their provisions consolidated amended and extended as therein provided:

And whereas by the Standard Life Assurance Company's Order Confirmation Act 1919 confirming the Provisional Order scheduled thereto the objects and business of the Company were enlarged and extended as therein authorised and power was conferred on the Company to change its name as therein provided:

And whereas the issued share capital of the Company is five hundred thousand pounds divided into fifty thousand shares of ten pounds each (of which the Company holds one thousand one hundred and twenty-five shares) on each of which shares the sum of three pounds ten shillings and no more has been paid up:

And whereas it is expedient that the share capital of the Company should be cancelled that the incorporation of the Company as a company limited by shares should be annulled that perpetual stock should be created in substitution for such cancelled share capital that the Company should be re-incorporated so that the control and management of the

Company should be vested in policy holders as hereinafter provided and that the said recited Standard Life Assurance Company's Act 1910 and the Standard Life Assurance Company's Order Confirmation Act 1919 should be repealed:

And whereas the purposes aforesaid cannot be effected without the authority of Parliament:

May it therefore please Your Majesty that it may be enacted and be it enacted by the King's most Excellent Majesty by and with the advice and consent of the Lords Spiritual and Temporal and Commons in this present Parliament assembled and by the authority of the same as follows (that is to say):—

Short Title.

1. This Act may be cited as the Standard Life Assurance Company's Act 1925.

Commencement of Act.

2. This Act shall commence and have effect on and from the date of the passing of the Act which date is hereinafter referred to as "the commencement of this Act."

Interpretation.

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

"The Company" means the Standard Life Assurance Company;

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

"Share" means a share in the existing share capital of the Company as constituted by the Standard Life Assurance Company's Act 1910;

"Shareholder" means the holder of a share registered as such in the existing register of shareholders;

"Policy" means the deed or document evidencing a contract of assurance or insurance by the Company or in respect of which the Company has undertaken liability for payment of any money on the happening of any contingency or event whether dependent on or connected with life or not;

"Participating policy" means and applies only to a policy of life assurance carrying the right to accruing profits and does not apply to a policy carrying the right to deferred profits unless and until the period of deferment has expired;

"Person assured" means the person by whom a policy is effected;

"General meeting" means a general meeting of the members;

"Investigation date" means the closing date of any period of investigation for the determination by the directors of the divisible profits of the Company during such period;

"Stock" means the perpetual stock substituted by this Act for the existing share capital;

"Stockholder" means the holder of stock registered as such in the record of stockholders;

"Record" means the record or register of the stock;

"The directors" means the ordinary directors of the Company at the head office;

"The secretary" means the secretary of the Company and includes the assistant secretary of the Company at the head office or other duly authorised officer acting as secretary;

"Head office" means the head office of the Company;
"Person" includes a corporation;
"Seal" means the common seal of the Company;
"Regulations" means the regulations of the Company for the time being;

"Land" includes all heritable property messuages tenements hereditaments houses and buildings of any tenure;

"Bankruptcy" includes liquidation;
"Existing" means existing at the commencement of this Act;

"In writing" or "written" includes printing lithography typewriting or other methods of representing words in visible form.

Words importing the singular number only include the plural number and words importing the plural number only include the singular number.

Repeal.

4. As from the commencement of this Act and subject to the provisions of this Act the Standard Life Assurance Company's Act 1910 and the Standard Life Assurance Company's Order Confirmation Act 1919 shall be and are hereby repealed.

Cancellation of share capital.

5. As from the commencement of this Act the incorporation of the Company as a company limited by shares shall be deemed to be annulled and all shares in the share capital of the Company shall be deemed to be cancelled together with all claims and rights attaching thereto.

Re-incorporation of Company.

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

Assignees &c. not members.

7. No persons entitled to or in right of any policy in consequence of any assignation or other transmission or devolution whether by deed or operation of law shall become members of the Company.

Vesting in Company of existing property.

8.—(1) All property heritable and moveable real and personal of what kind or nature soever including all interests and rights in to and out of property heritable and moveable real and personal and all debts and obligations which immediately before the commencement of this Act were held by or vested in the Company or held by or vested in the manager or trustees or any other persons for behoof of or in trust for the Company whether the trust for the Company be or be not expressed on the face of the deed or writing constituting the title thereto shall on the commencement of this Act pass to and vest in the Company as incorporated by this Act for all the estate and interest therein of the Company as existing immediately prior to the commencement of this Act and all persons holding the title to or legal estate in any such property debts and obligations shall be bound to execute at the request and expense of the Company all such transfers conveyances deeds and writings as the Company may desire them to execute with reference thereto.

(2) Without prejudice to the provisions in the immediately preceding subsection contained all securities created by and property comprised in any bonds mortgages conveyances dispositions in security and other deeds and writings which

at any time prior to the commencement of this Act were taken and held in name of the manager for the time being or any of the ordinary directors for the time being of the Company or any of the trustees of the Company or otherwise expressly in trust for the Company shall on the commencement of this Act be vested in and shall belong to and be receivable recoverable and enforceable by the Company as incorporated by this Act without the necessity of any transfer conveyance or other continuing or connecting title or separate investiture other than this Act Provided that this subsection shall not apply (save as regards any equitable or beneficial interest therein) to copyhold or customary land or to any such shares stocks annuities or property as are only transferable in books kept by a company or other body or in manner prescribed by or under Act of Parliament all which excepted property is intended to be and shall be forthwith by the appropriate means vested in the Company or as to copyhold or customary land in trustees for them.

Objects of Company.

9. The objects of the Company are to carry on in any part of the world:—

(1) The business of life assurance in all its branches and in particular of granting or effecting policies or assurances of all kinds for payment of money by way of a single payment or by several payments or otherwise upon the birth or marriage or death or survivorship or failure of issue or of the attainment of a given age by any person or upon the expiration of any fixed or ascertainable period or upon the happening of any other contingency or event whether dependent upon or connected with human life or not or upon the occurrence of any contingency or event which would or might be taken to affect the interest whether in possession vested contingent expectant prospective or otherwise of any person in any

property subject or not to any such events as *aforesaid happening in the lifetime of any other* person or upon the loss or recovery of contractual or testamentary capacity in any person:

(2) The business of granting selling and purchasing annuities of all kinds whether dependent on human life or otherwise perpetual or terminable immediate or deferred contingent or otherwise:

(3) The business of contracting with leaseholders borrowers lenders annuitants and others for the establishment accumulation provision and payment of sinking funds redemption funds depreciation funds renewal funds endowment funds and any other special funds either in consideration of a lump sum or of an annual premium or otherwise:

(4) The business of re-insuring all or any risks and of undertaking all kinds of re-insurance connected with any of the business of the Company:

(5) The business of every kind of insurance and re-insurance whether against or in connection with any loss damage injury liability misfortune contingency or event including life sickness accident employers' liability fidelity guarantee fire marine third party aircraft bombardment burglary and theft insurance or otherwise and whether similar or not to any form of insurance or re-insurance business hereinbefore mentioned and whether now known or hereafter devised and all matters of business which now are or may come to be connected with the same:

(6) *The business of purchasing dealing in and lending* money on life reversionary and other interests in property of all kinds whether absolute or

contingent or expectant and whether determinable or not and of acquiring lending money on redeeming cancelling or extinguishing by purchase surrender or otherwise any policy security grant or other contract issued made or taken over or entered into by the Company:

(7) The business of undertaking and executing trusts of all kinds and of undertaking the office of trustee executor administrator agent factor liquidator receiver treasurer or auditor and of keeping for any company government authority or body any register relating to any stocks funds shares or securities and of undertaking any duties in relation to the registration of transfers the issue of certificates or otherwise and of undertaking all kinds of agency business:

(8) The business of underwriting or guaranteeing the subscription of any stocks funds shares debentures debenture stock mortgages bonds or securities and of subscribing for the same conditionally or otherwise.

10. The Company without prejudice to all other powers competent to it by virtue of its re-incorporation under this Act shall have power in aid of its objects and for the *purposes thereof*:— Powers of Company.

(1) To purchase take on lease or in exchange hire or otherwise acquire any heritable or moveable real or personal property and any right or privilege which the Company may think necessary or convenient or capable of being profitably dealt with in connection with any property business or right of the Company for the time being:

(2) To improve manage develop enfranchise lease mortgage charge sell dispose of turn to account

or otherwise deal with all or any part of the property or rights of the Company:

(3) To invest the moneys of the Company not immediately required in such manner as may from time to time be determined in accordance with the regulations of the Company:

(4) To draw accept endorse discount execute and issue bills of exchange promissory notes and other negotiable or transferable documents or securities whether expressed to be payable to bearer or otherwise and in particular to issue to any person interested in any policy in respect of all or any of the premiums paid on any such policy any separate promissory note bill of exchange bond policy or contract providing for the payment to bearer or otherwise whether conditionally or unconditionally of any specified sum at the death of the person whose life is assured by such policy or in some other event:

(5) To raise or borrow from bankers or others such moneys as may be necessary for the purposes of the Company in the ordinary course of its business and to secure the repayment thereof upon such terms as may be arranged:

(6) To enter into any arrangement for sharing profits union of interests joint adventure reciprocal concession or co-operation with any person or company carrying on or about to carry on any business or transaction which the Company is authorised to carry on and to take or otherwise acquire and hold shares or stock in or securities of and to subsidise or otherwise assist any such person or company:

(7) To purchase or otherwise acquire and undertake

all or any 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 the Company:

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

(9) To procure the Company to be registered or recognised in any country state or place abroad and to make any investments or deposits in such names and manner as may be required and to comply with any conditions necessary or expedient in order to enable the Company to carry on business in any country state or place abroad and to establish or guarantee local companies or branch offices constituted or regulated under or by local laws for the purpose of carrying on any business which the Company is authorised to carry on:

(10) To form or assist in forming any company for the purpose of carrying on any business which the Company is authorised to carry on or any

other business that may seem conducive to any of the interests of the Company or to acquire by purchase or otherwise the business of any such company or the whole or any part of the shares or stock of any such company and to hold shares stock debentures or any interest in any such company and to dispose of such shares stock debentures and interest and to make and carry out arrangements for giving the Company the entire or partial control or management or benefit of the business of any such company and to guarantee dividends and interest on shares stock debentures debenture stock mortgages bonds or securities of any such company:

(11) To do all or any of these things either as principals agents trustees contractors or otherwise and either alone or in conjunction with others and either by or through agents sub-contractors trustees or otherwise:

(12) To obtain any Act of Parliament or any Provisional Order or any judicial or other legal sanction for enabling the Company to carry any of its objects into effect or for introducing any modification into the constitution of the Company or for any other purpose which may seem expedient and to oppose or contribute towards the expense of opposing any Bill in Parliament or Provisional Order or any proceedings or applications which may be deemed to be prejudicial to the interests of the Company:

(13) *To do all such other things as the Company may think incidental or conducive to the attainment of all or any of its objects*

Members not to be personally liable.

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

Issue of stock in lieu of share capital.

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

(2) The stock substituted under the provisions of this Act for the shares in the cancelled share capital of the Company shall be moveable or personal estate and shall

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

(3) Trustees executors and all other holders in a representative or fiduciary capacity of shares of ten pounds each in the cancelled share capital of the Company may and shall accept the stock substituted therefor under the provisions of this Act and may hold dispose of or otherwise deal with such stock in all respects as they might have held disposed of or otherwise dealt with the shares of ten pounds each in the cancelled share capital of the Company for which the same is substituted.

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

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

(6) Notwithstanding the provisions of this section all transfers and other dispositions of shares of ten pounds each

in the cancelled share capital not completed prior to the commencement of this Act shall subject to the provisions of this Act be valid and have due effect given to them as transfers or dispositions of the stock which under the provisions of this Act is substituted for the shares of ten pounds each in the cancelled share capital thereby transferred or disposed of.

Interest on stock.

13.—(1) The stock shall carry interest as from the fifteenth day of November one thousand nine hundred and twenty-four at the rate of five pounds per centum per annum payable exclusively out of the divisible profits of the Company.

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

(3) Until and including the first investigation date (namely the fifteenth day of November one thousand nine hundred and twenty-six) occurring after the commencement of this Act the directors shall pay to the stockholders interest at the rate aforesaid on the fifteenth day of May and the fifteenth day of November in each year on account of the interest due to them out of the divisible profits as at such investigation date.

(4) Subsequent to the fifteenth day of November one thousand nine hundred and twenty-six and within the period between any two investigation dates the directors shall provided that the divisible profits declared as at the first of such investigation dates are sufficient for payment in full of the interest due on or prior to such investigation date

pay to the stockholders interest at the rate aforesaid on the fifteenth day of May and the fifteenth day of November in each year on account of the interest due to them payable out of the divisible profits at the end of such period.

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

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

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

Payment of stock on winding up.

14. In the event of the Company being wound up the stock shall immediately become payable and the holders of the stock at the commencement of the winding up shall in respect of such stock and all interest thereon accrued and unpaid up to the date of actual payment thereof rank as creditors *pari passu* on all the surplus funds and assets of the Company after discharging the claims in the winding up of all other creditors and after satisfying the claims under policies and the balance of such surplus funds and assets shall be divisible among the holders of life assurance policies entitled to participate in the divisible profits of the Company according to such equitable scheme for division thereof as may be settled by the President of the Faculty of Actuaries whom failing the President of the Institute of Actuaries.

Conditions of issue of stock.

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

(1) Every stockholder shall be entitled to a certificate under the seal of the Company stating the amount

of stock held by him and every such certificate shall be in such form as the directors of the Company shall from time to time determine:

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

(*a*) the names and addresses and descriptions of the holders for the time being of the stock;

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

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

(3) Any change of name or address on the part of any registered holder shall forthwith be notified by him to the Company and on the directors being satisfied thereof the record shall be altered accordingly:

(4) Save as in this Act otherwise provided the Company shall recognise the registered holder of any stock his executors or administrators as the absolute owner or owners thereof and all persons may act accordingly and the Company shall not save as in this Act otherwise provided and except as ordered by a court of competent jurisdiction or as by statute required be bound to take notice of any trust or equity affecting the ownership of the stock or the rights incident thereto and the receipt of such registered holder his executors or administrators for the interest from time to time accruing due in respect thereof or for any moneys payable in respect of the same shall be a good discharge to the Company notwithstanding any trusts to which such stock may then be subject and whether or not the Company have had notice of such trusts and the Company shall not be bound to see to the application of the money paid upon such receipts:

(5) In case of the death of any one of the joint holders of any stock the survivors or survivor shall be the only persons or person recognised by the Company as having any title to or interest in such stock:

(6) The executors or administrators of a deceased holder of stock (not being one of several joint holders) shall be the only persons recognised by the Company as having any title to or interest in such stock:

(7) A body corporate may be registered as a holder or as one of the joint holders of stock:

(8) Every stockholder shall be entitled to transfer the same or any part thereof not involving a fraction of one pound by transfer in the usual common form:

(9) Every transfer shall be signed both by the transferor and transferee and the transferor shall be deemed to remain owner of such stock until the name of the transferee is entered in the record of stock in respect thereof:

(10) Every transfer duly stamped and executed shall be left at the head office of the Company for registration accompanied by the certificate of the stock to be transferred and such other evidence as the directors may require to prove the title of the transferor or his right to transfer the stock and upon registration the transferee shall be recognised as entitled to the stock free from any equity set-off or cross-claim of the Company against the transferor:

(11) All registered transfers shall be retained by the Company:

(12) A fee not exceeding two shillings and sixpence shall be charged for the registration of each transfer and shall if required by the directors be paid before the registration of the transfer:

(13) No transfer shall be registered during the fourteen days immediately preceding the half-yearly dates for the payment of interest on the stock or during such other periods as may be fixed by the directors:

(14) Any person becoming entitled to stock in consequence of the death or bankruptcy of any holder of such stock or otherwise than by transfer in accordance with the provisions of this section upon producing such evidence that he sustains the character in respect of which he proposes to act under this provision or of his title as the directors shall think sufficient and paying a fee of two shillings and sixpence may be registered himself as the holder of such stock or subject to the preceding provisions as to transfer may transfer such stock:

(15) The Company may retain the interest payable upon any stock which any person under the last preceding provision is entitled to transfer until such person shall be registered or duly transfer the same:

(16) Unless otherwise directed by the registered holder the interest upon the stock may be paid by warrant sent through the post to the registered address of the holder or in the case of joint holders to the registered address of that one of the joint holders who is first named on the record in respect of such stock Every such warrant shall be made payable to the order of the person to whom it is sent and payment of the warrant shall be a discharge of the interest:

(17) If several persons are entered in the record as joint holders of any stock then without prejudice

to the last preceding provision the receipt of any one of such persons for the interest from time to time payable in respect of such stock shall be as effective a discharge to the Company as if the person signing such receipt were the sole registered holder of such stock:

(18) A warrant shall be deemed to have been received by the holder or other person entitled thereto on the day upon which it is posted and in proving such receipt it shall be sufficient to prove by a certificate under the hand of the secretary or other official of the Company that the warrant was properly addressed and posted:

(19) If a warrant be lost or destroyed then upon satisfactory evidence of its loss or destruction and upon such indemnity being given as the directors consider adequate the directors may issue a new warrant in lieu thereof:

(20) Every warrant shall be deemed to be a cheque and the Company shall in relation thereto be deemed to be a banker within the Bills of Exchange Act 1882:

(21) If any certificate of stock be worn out or defaced then upon production thereof to the directors they may cancel the same and may issue a new certificate in lieu thereof and if any certificate of stock be lost or destroyed then upon proof thereof to the satisfaction of the directors and upon such indemnity as the directors deem adequate being given a new certificate in lieu thereof may be issued to the person entitled to such lost or destroyed certificate An entry as to the issue of a new certificate and indemnity shall be made in the record and there shall be paid to the Company in respect of any new certificate issued under this

section such sum as the directors shall determine not exceeding the sum of two shillings and sixpence:

(22) Any stockholder shall upon payment of such fee (not exceeding one shilling) as the directors shall from time to time fix be entitled at all reasonable times to inspect the record of the names and addresses and descriptions of the holders for the time being of the stock.

Purchase and sale of stock.

16. The Company shall be entitled at any time and from time to time to purchase the whole or any part of the stock either on the market or by private treaty provided that if in valuing its assets a value be placed on the stock held by the Company (including the stock substituted by this Act for the shares held by the Company at the commencement of this Act) a special reserve fund shall be maintained of an amount at least equal to the value so placed on the stock Any stock held or purchased by the Company may be sold or re-issued at such price or prices and at such times as the directors may decide.

Reserve funds.

17. Before any profits are allocated to or divided among the members of the Company or others entitled to participate therein the directors may from time to time set aside such sums as they think fit for the maintenance or increase of existing reserve funds or for the formation maintenance or increase of additional reserve funds for such purposes as the directors think fit and the directors may as they think fit from time to time deal with and apply any such reserve funds or any part thereof for any such purposes.

Valuation for and declaration of divisible profits.

18. In ascertaining the amount of the divisible profits of the Company the directors may adopt such methods and bases of valuation of the assets and liabilities of the Company as they think fit and after setting aside such sums as they think fit to reserve funds and allowing for such sums as they think fit to be carried forward instead of being so set aside or of being divided the directors may declare the amount of the divisible profits of the Company and the declaration of the directors as to the amount of such divisible profits shall be final and conclusive against the members stockholders and all other persons entitled to participate in such profits.

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19. Subject to the rights of the stockholders as hereinbefore provided the directors may from time to time make such regulations as they in their absolute discretion may think fit for the purpose of allocating the divisible profits of the Company among the participating policy-holders or any class of such holders and that either equally or otherwise and also of allowing any persons or any class of persons who have effected or shall effect policies or who have transacted or shall transact other business with the Company to participate in such divisible profits or for the purpose of allowing to such persons or classes of persons any other right privilege advantage or benefit and that to such extent and upon such terms and conditions as the directors think fit for encouraging the business of the Company.

Declaration of intermediate bonuses.

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

Allocation of expenses of Company.

21. The directors may determine from time to time what proportion of the whole expenses of the Company shall be charged against each of the special branches of the Company's business respectively and their determination shall be final and conclusive.

No policy deemed to be effected until payment of premium.

22. No person effecting any policy with the Company shall be considered as assured by the Company until he has paid the first premium or other contribution due under such policy.

Policies liable for claims against members &c.

23. All moneys due or payable under any policy to any member of the Company or other person together with the policy itself shall be subject to a lien or right of retention

in favour of the Company in security of any indebtedness owing by such member or other person to the Company and of the discharge of all pecuniary obligations undertaken by such member or other person to the Company and the directors may sell surrender or otherwise dispose of any such policy with all rights pertaining thereto in such manner and at such time as they shall think fit but no such sale surrender or other disposal shall be made until notice in writing of their intention shall have been served on such member or other person or the executors or administrators or other representatives or assignees of such member or other person and default shall have been made in the payment or discharge of such indebtedness or other obligations for seven days after such notice and the net proceeds of any sale surrender or other disposal shall be applied in or towards the discharge of such indebtedness or other obligations and the residue if any shall be paid to such member or other person or the executors administrators or other representatives or assignees of such member or other person but whenever an assignation in favour of a third party has been intimated to the Company no debt subsequently contracted to the Company by such member or other person granting such assignation shall compete with the same.

Execution of assignations of policies &c.

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

Company may pay on receipt of trustees.

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

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

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

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

(4) Where any sum is payable by the Company in respect of any policy of life assurance to the legal representatives of any person by whom the policy was effected who shall have died domiciled elsewhere than in Great Britain or Northern Ireland the directors may if they think fit pay such sum to such legal representatives on production at the office of the Company where such sum is payable of the confirmation or probate of the will of such person deceased or letters of administration or other grant of representation of his estate whether obtained in Great Britain or Northern Ireland in India or in any British dominion colony or dependency or of other evidence satisfactory to the directors that the persons claiming such sum are the legal representatives of such person deceased and that in whatsoever country such policy may have been issued or such sum may be payable or such person deceased may have been domiciled and the receipt of such legal

representatives shall be a complete and sufficient discharge to the Company and the Company shall not be bound to see to the application of the moneys paid on any such receipt.

Head office.

27. The head office shall be in Edinburgh.

Present directors to continue in office.

28. The directors who shall be in office at the commencement of this Act shall continue in office until they retire in rotation as provided by the regulations of the Company unless they shall sooner die resign become disqualified or be removed from office.

Present members of local boards to continue in office.

29. The members of local boards appointed by the Company who shall be in office at the commencement of this Act shall continue in office until the expiry of their various periods of office unless they shall sooner die resign or be removed from office.

Present auditor to continue in office.

30. The auditor who shall be in office at the commencement of this Act shall continue in office until the first annual general meeting to be held thereafter unless he shall sooner die resign become disqualified or be removed from office.

Present officers to continue in office.

31. All officers and servants of the Company who shall be in office at the commencement of this Act shall continue to hold and enjoy their respective offices and employments and shall be subject and liable to the like conditions obligations and penalties and to the like powers of removal and to the like rules restrictions and regulations in all respects as if they had been appointed under this Act.

Informalities in appointment.

32. All acts done by directors or by a committee of directors or by a local board or by any person acting as a director or as a member of a committee of directors or as a member of a local board notwithstanding that it may be afterwards discovered that there was some defect in the appointment of such directors or members of a committee of directors or members of a local board or any such person acting as a director or as a member of a committee of directors or as a member of a local board or in the formality

of their proceedings or that they or any of them were disqualified shall be as valid as if every such person had been duly appointed and qualified and such proceedings had been regular.

Indemnity.

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

Individual responsibility.

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

Change of name.

35. The Company may from time to time with the sanction of a general meeting of the members of the Company change its name but no such change shall be effective until it is advertised in the Edinburgh Gazette and no such change of name shall affect any rights or obligations or render defective any legal proceedings instituted or to be instituted by or against the Company and any legal proceedings may be continued or commenced against the Company by its new name that might have been continued or commenced against the Company under its previous name.

Regulations of Company.

36. As from the commencement of this Act the regulations of the Company shall be as set forth in the schedule to this Act and the Company may at any time by special resolution as defined by this Act alter or add to any of such regulations and any alteration or addition so made shall be as valid as if originally contained in such regulations and be subject in like manner to alteration by special resolution and so from time to time.

Special resolution.

37. For the purposes of this Act a special resolution is a resolution of the Company (1) passed at one general meeting and confirmed at a second general meeting held not less than fourteen days and not more than twenty-eight days after the first general meeting and (2) passed at the first general meeting by a majority of at least three-fourths of the votes of the members personally present and qualified to vote and confirmed at the second general meeting by a majority of the votes of the members personally present and qualified to vote.

Saving for existing rights and liabilities.

38. Except as in this Act otherwise provided everything before the commencement of this Act done or suffered by or with reference to the Company or the shareholders or the policy holders thereof as such including all resolutions regulations and byelaws made by the Company in general meeting or by the directors shall be as valid as if this Act had not been passed and the recited Acts had not been repealed by this Act.

Saving for existing policies &c.

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

Saving for pending actions &c.

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

Saving for existing rights of action &c.

41. All causes and rights of action suit reference arbitration or other proceeding which shall have accrued before and shall be in any manner enforceable by or for or against th Company at the commencement of this Act shall be and remain as good valid and effectual by or for or against the Company as they would or might have been by or for or against the Company if this Act had not been passed.

Books &c. continued evidence.

42. All books documents and writings of or relating to the Company which at the commencement of this Act would have been receivable in evidence shall continue to the like extent to be admitted as evidence in all courts and elsewhere.

Companies Clauses Acts not to apply.

43. The Companies Clauses Consolidation (Scotland) Act 1845 and the ts amending the same shall not apply to the Company or its funds and assets.

General Acts to apply.

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

Costs of Act.

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

THE SCHEDULE REFERRED TO IN THE FOREGOING ACT.

REGULATIONS OF THE COMPANY.

MEMBERS.

Members.

1. The members of the Company shall consist of (1) all persons assured either at or after the commencement of the foregoing Act (hereinafter in this schedule referred to as "the Act") and (2) the directors in office at such commencement whether or not they are also persons assured.

Commencement of membership.

2. Membership of every person assured after the commencement of the Act shall commence from the date of payment of the first premium or other contribution due under the policy.

Duration of membership.

3. Membership shall subsist (1) in the case of a person assured so long as the conditions of the policy and of these regulations respectively are fulfilled and (2) in the case of a director in office at the commencement of the Act so long as he continues in office.

Determination of membership of persons assured.

4. Membership of a person assured shall cease and determine upon (1) the occurrence of the event or contingency upon which the benefit of the policy arises (2) the occurrence of the event or contingency upon which the policy lapses but so nevertheless that in the event of the policy being revived in accordance with the conditions thereof and of these regulations his membership shall likewise revive (3) the surrender of the policy.

Members qualified to vote.

5. Save as hereinafter specially provided only members who are persons assured under participating policies or who are directors in office at the commencement of the Act shall be entitled to attend and act and be qualified to vote at general meetings of the Company.

GENERAL MEETINGS.

General meetings.

6. General meetings of the Company shall be held in Edinburgh from time to time as may be necessary in the interests of the Company.

Annual general meeting.

7. One general meeting (in these regulations called "annual general meeting") shall be held each year on such day as may be fixed by the directors not more than fifteen months after the holding of the immediately preceding annual general meeting.

Business at annual general meeting.

8.—(1) At each annual general meeting a statement of the accounts and the balance sheet of the Company for the preceding financial year shall be submitted and the directors and the auditor elected in room of those retiring.

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

Special general meetings.

9.—(1) The directors may at any time as they think fit call a special general meeting and may submit to such general meeting any business they consider to be in the interests of the Company.

(2) Upon the requisition of twenty members qualified to vote and holding among them participating policies amounting together to not less than £50,000 exclusive of bonus additions or upon the requisition of five directors the secretary shall forthwith proceed to call a special general meeting to be held within twenty-one days after the deposit of such requisition Such requisition shall be in writing signed by the requisitionists and deposited at the head office and shall specify the particular business for which such general meeting is to be called and the secretary shall not call such general meeting unless this provision is strictly and fully complied with.

(3) In the event of the secretary refusing or neglecting to call a special general meeting when required to do so by

requisition in manner hereinbefore provided then the requisitionists may call such general meeting but any general meeting so called shall not be held after three months from the date of the deposit of such requisition.

(4) If at any such special general meeting called in compliance with a requisition a resolution is passed requiring confirmation at a second special general meeting the secretary shall within seven days from the date of the passing of such resolution call such second special general meeting (unless he has already done so in accordance with the provisions of these regulations) for the purpose of considering the resolution and if thought fit of confirming it as a special resolution and if the secretary shall fail to call such second special general meeting the requisitionists may call such second special general meeting.

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

Notice of general meeting.

10.—(1) Notice of the holding of any annual or special general meeting specifying the place day and hour of meeting shall be given by advertisement in one or more of the Edinburgh newspapers and in one or more of the Glasgow newspapers and in one or more of the London newspapers not later than seven days before such general meeting.

(2) Whenever it is intended to pass a special resolution as defined by the Act the two general meetings may be convened by one and the same advertisement and such advertisement may convene the second general meeting contingently on the special resolution being passed by the requisite majority at the first general meeting.

Chairman of general meeting.

11. At a general meeting the directors shall nominate one of their own number to be chairman of the general meeting If no director be present or if all the directors present decline to take the chair the members present qualified to vote shall by show of hands elect as chairman of the general meeting some member qualified to vote.

Vote of chairman of general meeting.

12. The chairman of a general meeting shall in addition to any vote or votes to which he may otherwise be entitled have a casting vote both on a show of hands and at a poll if there be an equality of votes.

Quorum of general meeting.

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

(2) If within half-an-hour after the time appointed for the holding of a general meeting a quorum is not present no business shall be transacted other than the appointment or re-election of directors the appointment or re-appointment of the auditors and the declaration of a bonus if these are objects of the general meeting and such general meeting shall without further notice be adjourned to the same day in the next week at the same hour and place and if at such adjourned general meeting a quorum is not present those members present entitled to vote shall be deemed to be a quorum and may transact the business for which the general meeting was called.

Adjourned general meetings.

14.—(1) A general meeting may be adjourned from time to time and from place to place.

(2) It shall not be necessary to give notice of an adjournment of a general meeting and an adjourned general meeting shall be deemed to be a prolongation of such general meeting.

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

(4) An adjourned general meeting shall not proceed to any business other than the business left unfinished at the general meeting from which such adjournment took place.

Validity of proceedings.

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

VOTES OF MEMBERS.

Votes of members.

16.—(1) At a general meeting every member present in person and qualified to vote shall have one vote only on a show of hands.

(2) On a poll every member present in person and qualified to vote other than a director in office at the commencement of the Act shall be entitled (*a*) to one vote in any event and (*b*) to one vote in respect of every sum of £1,000 (exclusive of bonus additions) assured under the participating policy or policies in respect of which he is qualified to vote but so nevertheless that he shall not be entitled to more than five votes in the aggregate and every director as aforesaid shall be entitled to five votes and no more whether or not he is a person assured under a participating policy.

Votes of joint persons assured.

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

Votes of corporation.

18. A corporation being a member of the Company and qualified to vote may by resolution of its directors authorise any of its officials to act as its representative at any general meeting of the Company and such person so authorised shall be entitled to attend every general meeting and shall be entitled to exercise the same powers on behalf of such corporation as if he were himself a member of the Company and qualified to vote Save as by this regulation provided no member qualified to vote shall be entitled to vote at any general meeting unless he is personally present thereat.

Manner of voting.

19.—(1) At a general meeting a resolution shall in the first instance be decided by a show of hands.

(2) Unless a poll is demanded by the chairman of the general meeting or by at least five members present in person and qualified to vote a declaration by the chairman that

a resolution has been carried or carried by a particular majority or lost and an entry to that effect in the minutes of proceedings of the Company shall be deemed to be sufficient evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

(3) A poll shall be taken in such manner and at such time and place as the chairman of the general meeting shall direct either immediately or within seven days after the general meeting and the result of such poll shall be deemed to be the resolution of the general meeting.

(4) A poll duly demanded on any question of adjournment shall be taken forthwith.

(5) The demand of a poll shall not prevent the continuance of a general meeting for the transaction of any business other than the question on which a poll is demanded.

DIRECTORS.

Directors.

20. For the management of the whole business affairs and concerns of the Company there shall be not less than eight and not more than sixteen directors.

Qualification of director.

See inside back page of cover

21. Every director shall hold stock to the nominal amount of at least £500 and if he is not a director in office at the commencement of the Act he must also be a person assured under a participating policy or policies for at least £1,000 (exclusive of bonus additions).

Disqualification of director.

22. The office of a director shall *ipso facto* be vacated:—

(1) If he ceases to be qualified as hereinbefore provided:

(2) If he become bankrupt:

(3) If he become of unsound mind:

Provided that until an entry that the office of a director is vacated shall have been duly entered in the minutes of proceedings of the directors the acts of such director as a director shall be valid and effectual.

Rotation of directors.

23. The three directors at the head of the list of directors for the time being shall at each annual general meeting retire from office but shall immediately be eligible for re-election. A retiring director shall retain office until the conclusion of the general meeting at which his successor is elected The names of the directors elected at each annual general meeting shall be placed at the bottom of the list of directors and as between themselves in alphabetical order according to the initial letter of their respective surnames unless the general meeting electing them shall otherwise determine.

Nomination of director.

See inside back page of cover

24. No person shall be eligible for election as a director at a general meeting except a director retiring or a person assured under a participating policy or policies for at least £1,000 (exclusive of bonus additions) and holding stock to the nominal amount of at least £500 and who is nominated by the directors or by a writing signed by at least two persons each assured under a participating policy or policies for at least £1,000 (exclusive of bonus additions) which writing shall be deposited at the head office not less than fourteen days and not more than twenty-eight days before such general meeting.

Default in election of directors.

25. If at the annual general meeting the members fail to elect the directors the directors retiring shall if willing to act be deemed to have been re-elected.

Casual vacancies among directors.

26. If a director die resign or become disqualified the remaining directors may if they think fit appoint in his stead a duly qualified member who shall only hold office until the next annual general meeting but shall then be eligible for re-election.

Directors may act notwithstanding vacancy.

27. The continuing directors may act notwithstanding any vacancy in their body Provided that if the number of directors shall fall below the prescribed minimum number the remaining directors shall forthwith either appoint a duly qualified member or call a general meeting for the purpose of electing a duly qualified member to make up such minimum number.

Directors may appoint additional directors.

28. The directors may if they think fit from time to time appoint any duly qualified members to be additional directors but so that the total number of directors shall not exceed sixteen Provided that the duly qualified members so appointed shall only hold office until the next annual general meeting but shall then be eligible for re-election.

Removal of directors.

29.—(1) The Company in general meeting may by special resolution remove a director before the expiration of the term of his office and may if they think fit by ordinary resolution elect in his stead a duly qualified member who shall only hold office until the next annual general meeting but shall then be eligible for re-election.

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

Committees of directors.

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

Meetings of directors and committees of directors.

31.—(1) Ordinary meetings of the directors shall be held at the head office but the directors may if they think fit hold special meetings at such other place as they may fix.

(2) The directors until they otherwise determine shall meet at least once a week for regulating and conducting the affairs of the Company and shall meet at such other times as they shall be duly convened in manner provided in these regulations and they may also meet at such other times and adjourn from time to time as they think fit.

(3) The secretary shall by circular letter addressed to each director call any other stated or occasional meetings which may be fixed by the directors.

(4) Any two directors may at any time require the secretary to call a meeting of directors.

(5) Until otherwise determined by the directors a quorum of a meeting of directors shall be three.

(6) A committee of directors shall meet as often as shall be necessary and as the directors shall fix and in the absence of any special instructions by the directors two members of a committee consisting of more than two members shall be a quorum.

(7) The directors and a committee of directors shall choose their own chairman.

(8) All questions at meetings of directors or at meetings of a committee of directors shall be decided by the majority of votes of the directors present Each director present shall have one vote and the chairman in addition shall have a casting vote if there be an equality of votes.

Remuneration of directors.

See note in back cover.

32. The remuneration of the directors shall be six thousand pounds per annum or such other sum as shall be fixed by resolution of the Company in general meeting and the directors themselves shall not be entitled to vote on any such resolution but may apportion such remuneration among themselves as they think fit.

Remuneration for extra services.

33. If a director be called upon to perform extra services of any kind for any of the purposes of the Company the directors may give to such director such extra remuneration as they think fit.

Directors may hold other offices.

34. A director may hold any other office under the Company (except the office of auditor) in conjunction with the office of director and that on such terms as to remuneration as the directors think fit.

Directors may become members or director of any company promoted by Company.

35. A director may become and continue a member or director of a company promoted by the Company or in which the Company may be interested as vendor shareholder or otherwise and such director shall not be accountable for any benefits received by him as member or director of such company.

Directors may contract with Company.

36.—(1) A director shall not be disqualified by his office as director from entering into any contract with the Company either as vendor purchaser or otherwise nor shall any such contract or any contract entered into by or on behalf of the Company in which a director shall be in any way interested be avoided by reason thereof nor shall a director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract merely by reason of such director holding that office or of the fiduciary relations thereby established Provided that the nature of the interest of a director so contracting or being so interested shall be disclosed by him at the meeting of the directors at which the contract is determined on if his interest then exist or in any other case at the first meeting of the directors after the acquisition of his interest Provided further that a director shall not as such be entitled to vote in respect of such contract but this prohibition shall not apply to any contract by or on behalf of the Company to give to the directors or any of them any security by way of indemnity and such prohibition may at any time be suspended or released to any extent by the Company in general meeting.

(2) A general notice that a director is a member of a specified firm or company and is to be regarded as interested in all transactions with such firm or company shall be deemed to be sufficient disclosure for the purposes of this regulation as regards such director and such transactions and after such general notice it shall not be necessary for such director to give a special notice of his interest in any particular transaction with such firm or company.

(3) Where a director is directly or indirectly interested in any contract which shall in the ordinary course of business

be effected by such director through the manager or secretary or other proper officer of the Company disclosure to the manager or secretary or other officer that such director is so interested shall be deemed to be sufficient disclosure for the purposes of this regulation and the manager or secretary or other officer may deal with any such contract as regards terms premium commission or otherwise as freely as he could if such director were not so interested.

POWERS OF DIRECTORS.

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

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

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

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

(2) To grant and effect policies at such rates and on such terms and conditions as they think fit:

(3) To allow the surrender of any policy at such value or on such terms as they think fit:

(4) To purchase any policy at such value or on such terms as they think fit:

(5) To allow such times for the payment of premiums on policies on such terms and conditions as they think fit:

(6) To revive or continue on such terms and conditions as they think fit any policy that may have become void or that may be in danger of becoming void and that either for the whole or for a reduced amount and for the whole or for a limited period:

(7) To settle all claims at such times and in such manner as they think fit:

(8) To draw accept and endorse all bills of exchange promissory notes and other negotiable securities cheques and orders for the payment of money in the name or on account of the Company:

(9) To obtain a charter Act of Parliament or other act of recognition from any government in whose dominions any local board or agency may be established and that in such form and for such purposes as they may deem advisable and be able to procure:

(10) To form or assist in forming any company or to acquire hold and dispose of shares in any company or corporation now or hereafter existing in any part of the world:

(11) To present any petition to Parliament or any foreign or colonial Government for any purpose whatsoever which in their opinion is in the interests or conducive to the welfare of the Company:

(12) To commence carry on or bring to an end any branch or class of business which the Company is authorised to carry on:

(13) To give to any person employed by the Company whether a director or officer or other employee of the Company or not a commission on the profits of any particular branch or class of business of the Company and such commission shall be treated as part of the working expenses of the Company:

(14) To institute conduct defend compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company against or by any person and to compound and allow time for payment or discharge of any debts due and of any claims or demands by or against the Company:

(15) To refer to arbitration any claim or demand by or against the Company and to observe and perform the awards:

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

HONORARY DIRECTORS.

Honorary director.

39. The directors may from time to time appoint any persons whether members or not to be governors deputy-governors extraordinary directors honorary directors or patrons of the Company.

LOCAL BOARDS.

Directors may appoint local boards.

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

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

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

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

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

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

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

TRUSTEES.

Directors may appoint trustees.

41.—(1) The directors may from time to time appoint any directors or officers of the Company or any other persons or corporations as trustees for the Company to accept and hold any property mortgage investment or security belonging to the Company or in which it is interested in trust for the Company or for any other purposes and may execute and do

all such deeds and things as may be requisite in relation to any such trusts and may provide for the remuneration of such trustees.

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

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

POWERS OF ATTORNEY.

Directors may grant powers of attorney.

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

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

MINUTES OF PROCEEDINGS.

Minutes of proceedings.

43.—(1) The directors shall cause minutes of proceedings of general meetings of meetings of directors of meetings of committees of directors and of meetings of local boards to be duly entered in books to be provided for the purpose and every entry shall be signed by the chairman of the meeting at which such proceedings take place or by the chairman of the next succeeding meeting at which the minutes are approved.

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

SEAL.

Seal.

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

Seal for use abroad.

45.—(1) The Company may have for use in any territory district or place not situate in Great Britain or Northern Ireland an official seal which shall be a facsimile of the common seal of the Company with the addition on its face of the name of the territory district or place where it is to be used.

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

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

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

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

AUTHENTICATION OF DEEDS AND DOCUMENTS.

Authentication of deeds and other writings.

46.—(1) All deeds and other writings shall be sufficiently authenticated by being sealed with the common seal of the Company and signed by one of the directors and by the manager or secretary and shall be equally binding whether attested by witnesses or not.

(2) All deeds and other writings executed in any place out of Great Britain or Northern Ireland shall be sufficiently authenticated by being signed by such person as may be duly authorised by the directors.

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

INVESTMENT OF FUNDS.

Investment of funds.

47. Subject to any restrictions imposed by the Company in general meeting the directors may from time to time lay out and invest in any part of the world any of the funds of the Company in or upon all or any of the following investments securities and obligations whether payable to bearer or otherwise (that is to say):—

(1) In purchasing or in lending money on the security of:—

(*a*) Public stocks or funds or government securities;

(b) Land or any interest therein or right connected therewith or in building upon or otherwise improving or developing such land;

(c) Superiorities feuduties ground annuals ground rents head rents chief rents rentcharges or any other kind of rent or income arising out of or charged on land;

(d) Ordinary or other shares or stocks or funds or the debentures debenture stock annuities mortgages or other securities of any company firm corporation trust or body commercial municipal county or local or of any other description whatsoever;

(e) Bonds mortgages charges annuities liens or encumbrances affecting any property on which the Company has power to lend;

(f) Policies annuities or contracts of any kind of the Company or of any other company society or institution;

(g) Life reversionary or other interests whether absolute contingent or expectant in property of any kind whether determinable or not;

(h) Bonds bills notes or other obligations of any company firm or person corporation trust or body or on personal obligation or covenant with or without further security;

(i) Estate property and funds heritable or moveable real or personal of every description:

(2) In lending money on—

(a) The security of any property on which the Company has power to lend in conjunction with any money to be lent by any other corporation or person in joint names or otherwise as or by way of contributory mortgage or loan;

(b) The security of any rate toll charge tax or revenue

levied by any corporation trust or body municipal county local or other public body authorised to borrow money on such security;

(c) Loans in conformity with the custom for the time being of any stock exchange;

(d) Deposit with any bank company firm or person or corporation trust or body commercial municipal county or local or of any other description whatsoever.

48. Without prejudice to the powers conferred by the immediately preceding regulation and to the other powers conferred by the Act and these regulations the directors may from time to time lay out and invest the funds of the Company in or upon any class or description of investments securities or obligations whatsoever either by way of purchase or loan which shall be authorised by a resolution of the Company in general meeting in force for the time being. Investment of funds in pursuance of resolution.

49. The directors may as they think fit from time to time change or sell or dispose of any of the investments securities or obligations acquired or taken for behoof of the Company and may as they think fit from time to time again lay out and invest the proceeds thereof in any authorised investments securities or obligations. Power to vary investments

ACCOUNTS.

50. The Company shall keep their books and accounts in such form as shall seem to the directors most suitable for preserving an accurate and distinct view of the affairs of the Company. Accounts to be kept.

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

Audit of accounts.

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

Annual account and balance sheet.

53. At each annual general meeting the directors shall lay before the Company duly audited a revenue account and a balance sheet containing a summary of the assets and liabilities of the Company made up to the preceding fifteenth day of November or to such other day as the directors may from time to time determine from the time up to which the previous revenue account and balance sheet were made.

Annual report of directors.

54. Every such revenue account and balance sheet shall be accompanied by a report of the directors as to the state and condition of the Company and the revenue account balance sheet and report shall be signed in such manner as the directors may from time to time determine.

Copies to be sent to members and to stock exchanges.

55. A printed copy of the revenue account balance sheet and report shall on the application of any member be sent to him by post or otherwise and at least seven days prior to the annual general meeting two copies of each of these documents shall be forwarded to the secretary of the Stock Exchange Edinburgh to the secretary of the Stock Exchange Glasgow to the secretary of the share and loan department of the Stock Exchange London and to the secretary of any other stock exchange in the official list of which the Company's stock may at its own request be quoted.

AUDITORS.

Election of auditor.

56.—(1) At each annual general meeting the members qualified to vote shall appoint an auditor or auditors (in these regulations called "the auditor") who shall only hold office for one year but shall be eligible for re-election.

(2) No director or officer of the Company shall be eligible to be appointed as the auditor.

Default in election of auditor.

57. If at the annual general meeting the members qualified to vote fail to elect the auditor the auditor retiring shall if willing to act be deemed to have been re-elected.

Disqualification of auditor.

58. The office of the auditor shall *ipso facto* be vacated:—

(1) If he become bankrupt:

(2) If he become of unsound mind.

Removal of auditor.

59. The Company in general meeting may remove the auditor before the expiration of the term of his office and may if they think fit elect in his stead another person who shall only hold office until the next annual general meeting but shall then be eligible for re-election.

Casual vacancies in office of auditor.

60. If the auditor die resign become disqualified or become incapable of acting the directors may if they think fit appoint in his stead another person who shall only hold office until the next annual general meeting but shall then be eligible for re-election.

Remuneration of auditor.

61. The remuneration of the auditor shall be fixed by the Company in general meeting except that the remuneration of the auditor appointed to fill a casual vacancy may be fixed by the directors.

Powers and duties of auditor.

62.—(1) The auditor shall have a right of access at all times to the books accounts documents and vouchers of the Company and shall be entitled to require from the directors and officers of the Company such information and explanation as may be necessary for the performance of his duties.

(2) The auditor shall make a report to the members on the accounts examined by him and on every balance sheet laid before the Company in general meeting during his tenure of office and the report shall state:—

(*a*) Whether or not he has obtained all the information and explanation he has required; and

(*b*) Whether in his opinion the balance sheet referred to in the report is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Company according to the information and explanation given to him and as shown by the books of the Company.

(3) The report of the auditor shall be attached to the balance sheet or there shall be inserted at the foot of the balance sheet a reference to the report and the report shall be read at the annual general meeting and shall be open to inspection by any member.

NOTICES.

Service of notices on Company.

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

(2) Notices of assignations of policies effected with the Company and other notices not included in the immediately preceding provision of this regulation shall only be deemed to be effectually served upon the Company when deposited at the head office or at one of the offices of the Company in London or at such other offices of the Company as the directors may from time to time appoint.

Service of notices on members &c.

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

(2) A notice requiring to be served by the Company otherwise than by advertisement upon any member whose place of address appears in the books of the Company to be in

Great Britain or Northern Ireland may be served either personally or by sending it prepaid through the post addressed to such member at that address.

Notice to members resident abroad.

65.—(1) Each member whose place of address is not in Great Britain or Northern Ireland may from time to time intimate in writing to the Company some place of address in Great Britain or Northern Ireland to be his address for service and any notice requiring to be served otherwise than by advertisement may be served by the Company upon such member by sending it prepaid through the post addressed to such member at that address.

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

Notice to joint holder

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

Intimation of change of name or address.

67. An intimation in writing of every change of name or address of any member shall be forthwith deposited by such member at the head office and in default thereof a notice requiring to be served by the Company otherwise than by advertisement may be served upon such member by sending it prepaid through the post addressed to such member at the registered address of such member and such member shall be deemed to have received such notice.

Date of service of notice.

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

Signature of notices.

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

Reckoning of time.

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

INTERPRETATION.

Practical application.

71. In the practical application of these regulations the construction placed upon them by the directors shall be final and conclusive.

EXTRACT FROM MINUTES OF SPECIAL GENERAL MEETINGS HELD ON 10TH JULY AND 24TH JULY 1945.

That there be added to the Regulations contained in the Schedule annexed to the Company's Act 15 & 16 George V. Chapter XLII a Regulation to be numbered 32 (a) in the following terms:—

"The directors shall also be entitled to reimbursement of all travelling and other out-of-pocket expenses incurred by them in attending meetings of the directors or of the Company or otherwise in connection with the business of the Company."

EXTRACT FROM MINUTE OF SPECIAL GENERAL MEETING HELD ON 12TH MARCH 1935.

That in terms of Regulation 32 of the Regulations of the Company under the Standard Life A-

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EXTRACT FROM MINUTES OF SPECIAL GENERAL MEETINGS HELD ON 18th DECEMBER 1951 AND 8th JANUARY 1952

That in virtue of Section 36 of the Standard Life Assurance Company's Act 1925 the following regulation shall be substituted for Regulation 38 (12) viz:-

"(12) To commence, carry on or bring to an end the whole or part of any branch or class of business which the Company is authorised to carry on, or to transfer the whole or part of any such branch or class of business carried on by the Company to any other Company or Companies, or body or bodies of persons established or incorporated, either within or without the United Kingdom."

The Directors may apportion such remuneration amongst themselves as they think fit.

for each Direc-
ment at the rate of £400 per annum —
(i) above, and

(iii) a sum of £400,

but shall in no case exceed £10,000 per annum. The Directors may apportion such remuneration among themselves as they think fit.