



Wesleyan Assurance Society Act 1989

CHAPTER viii

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SCHEDULE—Rules of Wesleyan Assurance Society.

ELIZABETH II



1989 CHAPTER viii

An Act to repeal the Wesleyan and General Assurance Society Acts 1914 and 1954; to make new provision for the regulation and management of the Wesleyan Assurance Society; and for other purposes.

[6th July 1989]

WHEREAS—

(1) The Wesleyan and General Assurance Society (hereinafter called “the Society”) was established in 1843 under the laws then in force relating to friendly societies:

(2) Following a great increase in the volume of its business, the society was incorporated by the Wesleyan and General Assurance Society Act 1914, with objects and powers suitable to the size and character of the business of the Society at the time:

1914 c. clxvii.

(3) By the Wesleyan and General Assurance Society Act 1954 the said Act of 1914 was amended and further powers conferred on the Society:

1954 c. xlii.

(4) It is expedient in order to enable the Society to carry on its business to the best advantage and to regulate the management of its affairs in accordance with present-day requirements and practice that the said Acts of 1914 and 1954 should be repealed and that further and better provision should be made for the regulation and management of the Society:

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

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

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

Short title and commencement.

1. This Act may be cited as the Wesleyan Assurance Society Act 1989 and shall come into force on 1st November 1989.

Interpretation.

2. In this Act, except in so far as the context otherwise requires—

“corporation” includes a company wheresoever incorporated and any body of persons, corporate or unincorporated;

“directors” means the directors of the Society for the time being;

“existing” means existing immediately before the commencement of this Act;

“insurance” means a contract by the Society for the payment of any money or the conferring of any benefit on the happening of any contingency or event whether dependent on or connected with life or not or for the payment of any annuity and includes a contract formerly designated assurance;

“the laws of the Society” means the provisions of this Act and the Rules;

“member” means a member of the Society as defined by the Rules;

“policy” means the instrument evidencing an insurance;

“Rules” means the Rules of the Society for the time being in force;

“the Society” means the society hitherto known as The Wesleyan and General Assurance Society;

“special resolution” means a resolution of the Society passed by a majority of not less than three-fourths of such members as vote in person or by proxy at a general meeting of which not less than 21 days' notice specifying the intention to propose the resolution as a special resolution has been duly given;

“territory” means any country, state, district or place.

Repeals.

3. Subject to the provisions of this Act the Wesleyan and General Assurance Society Acts 1914 and 1954 are hereby repealed.

General saving for incorporation of Society.

4.—(1) Notwithstanding such repeal as aforesaid the Society shall remain incorporated with perpetual succession and a common seal and with power to sue and be sued and the Society shall retain all existing assets and rights vested in it and shall remain subject to all existing liabilities incurred by it.

(2) Subject to subsection (3) below, as from the commencement of this Act the name of the Society shall be “Wesleyan Assurance Society”.

(3) Nothing in this section shall prevent the Society from changing its name as provided in section 8 (Power to change name and adopt local names) of this Act.

Saving for membership and existing insurances.

5. Notwithstanding such repeal as aforesaid, but subject to the provisions of this Act and the Rules, all existing members shall continue to be members, all existing insurances shall remain in full force and effect and any existing person

or corporation entitled to the benefit of any such insurance shall retain all the existing rights, subject to all the existing liabilities, attaching to that insurance.

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

Saving for transactions and actions.

- (a) all conveyances, leases, deeds, mortgages, bonds, contracts, agreements, insurances, policies, securities, awards, appointments, notices and other acts and things made and entered into, executed, given or done by or with the Society or any person on its behalf and in force at the date of such repeal as aforesaid shall be as valid and effectual to all intents in favour of, against and with reference to the Society as if this Act had not been passed;
- (b) any action, arbitration or other proceedings or cause of action or proceeding pending or existing at the date of such repeal as aforesaid by, with, against or in favour of the Society or any person on its behalf shall not abate or be prejudicially affected by this Act but on the contrary may be continued or commenced and carried on by, with, against or in favour of the Society as if this Act had not been passed;
- (c) all books and documents of or concerning the Society which if this Act had not been passed would have been admitted in evidence shall be admitted in evidence as if this Act had not been passed.

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

Existing directors, etc., to continue in office.

(2) The directors shall continue to receive remuneration at the existing rates until such rates are otherwise determined in accordance with the Rules.

(3) All officers, servants, agents and others in the employment of the Society and the Society's auditors immediately before the commencement of this Act shall, subject to the provisions of this Act and the Rules, continue to hold their respective offices and employments under the Society with the existing rights and privileges and subject to the existing conditions, obligations and penalties, the existing powers of removal and the existing rules, restrictions and regulations attaching or relating thereto.

8.—(1) The Society may from time to time by special resolution change its name but no such change of name shall be effective until it is advertised in the London Gazette.

Power to change name and adopt local names.

(2) No such change of name shall affect any rights or obligations or render defective any legal proceedings instituted or to be instituted by or against the Society and any legal proceedings may be continued or commenced by or against the Society in its new name that might have been continued or commenced by or against the Society in its former name.

(3) The Society may from time to time by special resolution adopt a local name for the purposes of carrying on business in any territory elsewhere than in the United Kingdom and shall within any territory in respect of which a local name has been adopted have power to carry on business under its local name for the time being either alone or in conjunction with the name under which it is for the time being incorporated.

(4) Any policy, deed or other writing relating in whole or in part to the Society's business in a territory in respect of which a local name has been adopted shall be equally binding whether the Society is referred to therein in the name under which it is for the time being incorporated or in its local name for the time being or in both such names.

(5) Any action, suit, reference, arbitration or other proceeding by or against the Society in a territory in respect of which a local name has been adopted shall be equally enforceable by or against the Society in the name under which it is for the time being incorporated or in its local name for the time being or in both such names.

(6) The power in subsection (3) above to adopt a local name includes a power to adopt a new local name in place of one previously adopted; and, accordingly, subsection (2) above shall apply in the case of any such change of local name as it applies in the case of a change in the name of the Society.

Principal office
and local head
offices.

9.—(1) The principal office of the Society shall be in the city of Birmingham or at such other place in England as the directors may from time to time determine.

(2) The directors may from time to time designate a local head office in respect of any territory.

Liability of
members.

10.—(1) No member (which expression shall in this section include any person claiming under a member), whether becoming the same before or after the commencement of this Act, shall, as such, be liable for any debts or sums of money due or to become due by the Society whether by virtue of any policy issued by the Society or otherwise and all creditors and other persons having claims against the Society shall be entitled to make such claims effectual only against the appropriate funds of the Society and shall in no case or event whatsoever be entitled to make any demand or claim against any member as such for or on account of any debts or sums of money due by the Society.

(2) It shall not be competent for or in the power of the Society or the directors or the liquidator of the Society or other persons on any account or occasion whatsoever to make any call upon any member as such for any sum of money in addition to the premiums or contributions payable by such member under the insurance or insurances forming the basis of his membership of the Society.

(3) Nothing in this section shall prevent the Society from entering into any arrangement with a member for the provision of such a sum as is referred to in subsection (2) above.

Power of minors
to effect
insurances.

11. A minor may effect insurances with the Society and may, if 15 years of age or more by himself and if under that age by his parent or guardian, execute and give all proposals, declarations, instructions, receipts and discharges, and enjoy all privileges and be liable to all the responsibilities of a member of full age, notwithstanding any incapacity or disability in law to act for himself.

Rules.

12.—(1) On the commencement of this Act the Rules of the Society shall be as set forth in the Schedule to this Act in lieu and to the exclusion of its existing rules.

(2) The Society may at any time by special resolution repeal, alter, extend or modify the Rules (including those Rules which define the objects and powers of the Society).

- (3) Notwithstanding subsections (1) and (2) above, the provisions of the Companies Act 1985 applicable to the Society in accordance with section 718 of that Act (unregistered companies) shall apply to the Society. 1985 c. 6.
13. On the winding up of the Society, any surplus shall be distributed among the same persons in the same manner and on the same basis as if the surplus had been declared to be a distributable surplus in accordance with the Rules relating to the distribution of profits. Winding up.
14. The Companies Clauses Consolidation Acts 1845 and 1888 shall not apply to the Society or its undertaking. Companies Clauses Consolidation Acts not to apply.
15. Nothing in this Act shall be deemed to exempt the Society from the provisions of the Insurance Companies Act 1982 or of any enactment whether passed or made before or after that Act relating to insurance companies. General Acts to apply. 1982 c. 50.
16. In the exercise of the powers of borrowing referred to in the Rules, the Society shall comply with any order for the time being in force under section 1 of the Borrowing (Control and Guarantees) Act 1946. Saving for powers of Treasury. 1946 c. 58.
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SCHEDULE

RULES OF WESLEYAN ASSURANCE SOCIETY

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I. INTERPRETATION

Interpretation.
1982 c. 50.
1985 c. 6.

1.—(1) In these Rules unless the subject or context otherwise requires—

“Act of 1982” means the Insurance Companies Act 1982;

“Act of 1985” means the Companies Act 1985;

“Act of 1989” means the Wesleyan Assurance Society Act 1989;

“actuary” means the actuary for the time being appointed by the directors in accordance with the Act of 1982 and in relation to a separate or hypothecated fund in respect of business arising in a territory or territories outside the United Kingdom shall include any person appointed by the directors as actuary or as a temporary or assistant actuary of that fund;

“auditors” means the auditors for the time being appointed by the Society in accordance with Rule 90;

“the Board” means the Board of directors;

“corporation” includes a company wheresoever incorporated and any body of persons, corporate or unincorporated;

“directors” means the directors of the Society for the time being;

“existing” means existing immediately before the commencement of the Act of 1989;

“insurance” means a contract by the Society for the payment of any money or the conferring of any benefit on the happening of any contingency or event whether dependent on or connected with life or not or for the payment of any annuity and includes a contract formerly designated assurance;

“life insurance” means a contract by the Society for the payment of money or the conferring of any benefit on the happening of any contingency or event dependent on or connected with life;

“the laws of the Society” means the provisions of the Act of 1989 and the Rules;

“member” means a member of the Society as defined by the Rules;

“the Society” means Wesleyan Assurance Society;

“policy” means the instrument evidencing an insurance;

“principal office” means the principal office of the Society for the time being;

“Rules” means the Rules of the Society for the time being in force;

“secretary” means the person for the time being appointed by the directors to perform the duties of the secretary of the Society and shall include a joint, deputy, temporary or assistant secretary;

“special resolution” means a resolution of the Society passed by a majority of not less than three-fourths of such members as vote in person or by proxy at a general meeting of which not less than 21 days’ notice specifying the intention to propose the resolution as a special resolution has been duly given;

“the statutes” means the Act of 1982 and those provisions of the Industrial Assurance Acts 1923 to 1948, the Act of 1985 and any other public general Act for the time being in force which for the time being affect or apply to the Society;

“territory” means any country, state, district or place.

SCH.
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(2) The Interpretation Act 1978 shall apply for the interpretation of the Rules as it applies for the interpretation of an Act of Parliament. 1978 c. 30.

II. OBJECTS

2.—(1) The objects of the Society are—

- (a) to grant all such insurances with or without the right to participate in the surplus or profits of the Society for the payment of money or the conferring of any benefit on the happening of any contingencies or events whether dependent on or connected with life or not and to grant all such annuities and benefits of all kinds as may by law be granted and as the directors may think fit to grant;
- (b) to re-insure such part of all or any of the risks of the Society and undertake such risks by way of re-insurance as the directors may from time to time think fit;
- (c) to undertake or hold the office of executor, administrator, trustee, manager or receiver and any other office or position of trust or confidence either for remuneration or gratuitously and to perform and discharge the duties and functions incident to any such office or position and to transact all kinds of trust business;
- (d) to purchase, deal in and lend money on the security of freehold and leasehold property;
- (e) to promote, establish, manage and carry on any unit trust scheme and to undertake all kinds of financial business and to acquire and deal in all kinds of securities and other properties;
- (f) to enter into contracts for the establishment, accumulation, provision and payment of sinking funds, redemption funds, depreciation funds and any other special funds whether in consideration of a single payment or of an annual premium or otherwise and generally on such terms and conditions as may be arranged;
- (g) to purchase and deal in and lend money on the security of life, reversionary and other interests in property of all kinds whether absolute, contingent or expectant and whether determinable or not and to acquire, lend money on, redeem, cancel or extinguish by purchase, surrender or otherwise any policy, annuity, security or contract issued, made, taken over or entered into by the Society;
- (h) to act as the agent for the issue of any shares, stock, debentures, debenture stock, mortgages, bonds, bills or other securities or obligations, whether or not offered to the public for subscription, and to guarantee or underwrite the subscription of any such types of securities or obligations and to subscribe for any of the same conditionally or otherwise;
- (i) to carry on any business or activity which in the opinion of the directors may be advantageously carried on in connection with or as ancillary to any of the businesses or activities authorised by this Rule

Objects of the
Society.

SCH.
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or which the directors consider is calculated to enhance directly or indirectly the value of any of the Society's undertaking, property or assets.

- (j) to establish or form or assist in establishing or forming or to acquire any corporation, society, institution, association or trust, constituted or regulated in any part of the world and by any laws for the purpose of carrying on any business which the Society is empowered to carry on or for the purpose of acquiring the undertaking of the Society, or any part thereof, and to hold any interest in any such corporation, society, institution, association or trust, and to act as the holding company, proprietor or otherwise howsoever in relation thereto;
- (k) to do all or any of the above things in any part of the world 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.

(2) None of the objects set forth in each sub-paragraph of paragraph (1) above shall, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from any other object or objects set forth in the same or any other sub-paragraph, or by reference to or inference from the name of the Society.

III. POWERS

Powers of the
Society.

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

- (1) to do all such things as are specified in Rule 2;
- (2) to purchase, take on lease or in exchange or by way of security of any kind, hire or otherwise acquire any real, personal, heritable or movable property and any rights or privileges which the Society may think necessary, convenient or capable of being profitably dealt with in connection with any of the property, business or rights for the time being of the Society;
- (3) to sell, exchange, mortgage, charge, lease, manage, farm, maintain, build upon, develop or otherwise improve, dedicate to the public or otherwise deal with or dispose of the lands of the Society or any part thereof or any estate or interest therein or relating thereto as the directors think fit;
- (4) to borrow or raise money of such amounts and in such currencies and to secure the repayment of all money due by the Society and also to secure other debts and obligations of the Society all in such manner and on such terms as shall seem expedient and without prejudice to the generality of the foregoing to issue debentures or debenture stock or other securities (perpetual or otherwise) and to obtain advances by overdraft or to borrow money from any one or more banks, corporations, persons or others and to grant, charge or deposit from the moneys, funds and property of the Society or any part thereof such securities as may be arranged for any such advances or borrowings or for any such other debts or obligations and to redeem, purchase or pay off such securities;
- (5) to invest moneys of the Society not immediately required such investment to be in the name or under the control of the Society or any corporation constituted or regulated anywhere in the world and owned by the Society in the purchase or on the security of any lands or buildings in the United Kingdom or elsewhere, stocks, funds, bonds or other securities of or guaranteed by the Government of the United Kingdom or any other country, state or province, stocks, funds, bonds, shares, debentures or other securities of any county, municipal or other public corporation or other public body in the United Kingdom having power to borrow or raise money, debentures or debenture stock, mortgages, bonds or unit trusts or other securities

or obligations or the guaranteed or preference or ordinary or deferred or common shares or stocks not involving unlimited liability of any society, corporation, board or undertaking in the United Kingdom or elsewhere, insurances or policies of the Society or of any other insurance office, vested contingent reversionary or other estate or interest in lands, trust funds, securities or other investments or any such estate or interest in any sum or sums of money secured upon any such lands, trust funds, securities or investments and to vary any such investments from time to time;

SCH.
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- (6) to lend moneys of the Society not immediately required upon the security of any real or personal property or upon personal security only and to deposit any such moneys on such terms as the directors may think proper and whether temporarily or for any length of time with any public corporation, public board, public trust or other public body, bank, banker, finance house, discount house, firm, corporation, building or other society authorised to take money on deposit and to vary such investments from time to time;
- (7) to sell, exchange, improve, manage, develop, enfranchise, lease, mortgage, dispose of, turn to account or otherwise deal with all or any part of the property, investments, securities, assets or rights of the Society;
- (8) to act as managers, trustees or secretaries of or as nominees for the managers, trustees or secretaries of any superannuation fund, pension scheme, life insurance scheme, permanent health insurance scheme or of any person or corporation and to undertake the office and duties of and to exercise powers conferred by law or by deed on trustees, executors, administrators, attorneys and the like;
- (9) to provide advice and supervisory services on all financial matters and to act as investment managers, investment consultants and agents for any superannuation fund, pension scheme, life insurance scheme or any other fund or any person or corporation;
- (10) to enter into arrangements with any government or authority, supreme, municipal, local or otherwise and to obtain from any such government or authority all rights, concessions and privileges that may seem conducive to the attainment of the objects of the Society or any of them;
- (11) to enter into and carry into effect any contract or agreement for purchasing, acquiring or taking over all or any of the business, property, rights and liabilities of or amalgamating with or acquiring an interest in any other society, association or corporation carrying on any business or undertaking within the objects of the Society or capable of being conducted so as directly or indirectly to benefit the Society or for undertaking, paying and performing all or any of the insurances, annuities and engagements of any such other society, association or corporation or for selling or otherwise disposing of all or any of the business, property, rights and liabilities of the Society to any other society, association or corporation;
- (12) to give to any persons or any class or section of persons who are insured or insure or have other dealings with the Society whether such persons or class or section of persons may or may not be members of the Society any right over or in relation to a fund or funds, or a right to participate in the profits of the Society or in the profits of any particular branch or department of its business either equally with other persons or classes or sections of persons or otherwise or any preference in ranking or other right, privilege, advantage or benefit, and to appropriate and set apart any such fund or funds for these or other specific purposes whether by way of trust or otherwise and with or without appropriation of specific investments;

SCH.
—cont.

- (13) to establish, maintain and subsidise non-contributory and contributory pension, insurance, death or other benefit schemes and funds and grant pensions, annuities, gratuities, donations, allowances, bonuses or any other benefits to directors or former directors, officers or former officers, employees or former employees of the Society or of any corporation which is a subsidiary of the Society or is allied to or associated with the Society or the relations, dependants and personal representatives of any such persons, and to establish, subsidise or support associations, companies, institutions, clubs, funds, schemes, trusts, or other conveniences and contribute to any companies, trusts, associations or other bodies to secure life insurance, medical or other benefits which may be considered calculated to benefit any such persons or otherwise advance the interests of the Society or of any such corporation or the members;
- (14) to subscribe, covenant or guarantee money to or for charitable or benevolent or other useful objects whether connected with the business of the Society or otherwise;
- (15) to draw, accept, endorse, discount, execute and issue bills of exchange and promissory notes and other negotiable or transferable instruments;
- (16) to enter into any arrangement for sharing profits, union of interest, joint adventure, reciprocal concession or co-operation or otherwise with any person, trust or corporation carrying on or engaged in, or about to carry on or engage in, any business or transaction which the Society is empowered to carry on or engage in or which is capable of being conducted so as directly or indirectly to benefit the Society, and take or otherwise acquire and hold shares, stock, debentures or debenture stock in or securities of and to subsidise or otherwise assist any person, trust or corporation, and to make and carry out arrangements for giving the Society entire or partial control or management or benefit of the business of any such person, trust or corporation and to guarantee dividends or interest on shares, stock, debenture stock, mortgages, bonds or securities of any such corporation;
- (17) to procure the Society to be registered or recognised in any part of the world, and to make any investments or deposits in such names and manner as may be required, and to comply with any conditions necessary or expedient in order to enable the Society to carry on business in any part of the world, and to establish or guarantee local societies or companies or branch offices constituted or regulated under or by local laws for the purpose of carrying on any business which the Society is authorised to carry on;
- (18) to establish or form or assist in establishing or forming or to acquire any corporation, society, institution, association or trust, constituted or regulated in any part of the world and by any laws for the purpose of carrying on any business which the Society is empowered to carry on or for the purpose of acquiring the undertaking of the Society, or any part thereof, or for any other purpose whatsoever that may seem conducive to any of the interests of the Society and to subscribe for, underwrite or otherwise acquire and hold shares, stock, debentures, debenture stock or any other interest in any such corporation, society, institution, association or trust and to place, assist in placing or otherwise dispose of such shares, stock, debentures, debenture stock or interest;
- (19) to sell the undertaking of the Society or any part thereof for such consideration as the Society may think fit and in particular for shares, stock, policies, debentures, debenture stock or other securities of any other corporation having objects altogether or in part similar to those of the Society;

- (20) to lend and advance money or give credit to, or otherwise subsidise and assist, such persons, trusts or corporations and on such terms as may seem expedient and in particular persons insuring or having other dealings with the Society;
- (21) to guarantee the performance of any contract or obligation and the payment of money of or by any person, trust or corporation, and generally to give guarantees, indemnities, bonds and warranties;
- (22) to accept money on deposit or for accumulation, at interest or otherwise;
- (23) to take, make, support or oppose any proceedings or application for obtaining Provisional Orders, Acts of Parliament or other legislative acts in the United Kingdom of Great Britain and Northern Ireland or elsewhere which, in the opinion of the Society may beneficially or adversely affect the Society or its members or some of them;
- (24) to remunerate any persons for services rendered or to be rendered in placing or assisting to place securities of the Society or in or about the conduct of the business of the Society;
- (25) to promote, subscribe to or become a member of or co-operate with any association, trust or corporation, having for its objects, or one of its objects, the benefit, authorisation, assistance, regulation or protection of bodies carrying on any business which the Society is empowered to carry on, or otherwise calculated to benefit the Society directly or indirectly and to undertake liabilities or give guarantees or indemnities as subscribers to or members of any such association, trust or corporation;
- (26) to do all or any of the above things in any part of the world and either as principals, agents, trustees, contractors or otherwise and either alone or in conjunction with others, and either by or through agents, sub-contractors, trustees or otherwise;
- (27) to do all such other things as may be considered incidental or conducive to the attainment of the objects of the Society or any of them.

SCH.
—cont.

IV. MEMBERS

4. An existing member shall continue to be a member of the Society so long as he remains the beneficial owner of a subsisting policy of insurance in the ordinary life insurance department and any person (whether a minor or of full age) who is an original grantee from the Society of a subsisting policy of insurance in the ordinary life insurance department of which he remains the beneficial owner whether such policy was granted before or after the passing of the Act of 1989 and whether the same be incumbered or not shall be a member of the Society or if the grantees of any such policy be more than one the grantee nominated for that purpose by notice in writing sent to the Society by all such grantees or failing such a person, the living grantee whose name appears first in the policy shall be a member of the Society.

Members.

V. MEETINGS OF MEMBERS

5. A general meeting of the members of the Society (being and to be called the annual general meeting) shall be held at the principal office at 12 noon on the fourth Tuesday in the month of April in every year.

Annual general meetings.

All general meetings other than the annual general meeting shall be called special meetings.

6.—(1) The directors may call a special meeting of the Society at any time and shall call such a meeting on a requisition in writing signed by 50 or more members owning amongst them either alone or jointly with other persons life insurances in the ordinary life insurance department of the Society for an aggregate amount insured of not less than £1,000,000 exclusive of bonuses.

Special meetings.

SCH.
—cont.

(2) The requisition shall be deposited at the principal office and shall state the object of the meeting. It may consist of several documents in like form each signed by one or more of the requisitionists.

(3) The directors shall fix the time and place of any special meeting.

(4) If the directors do not within 21 days from the date of the deposit of the requisition proceed duly to convene a meeting the requisitionists or a majority of them in value (regard being had to the amounts insured by their policies) may themselves convene the meeting but not so as to be held after the expiration of three months from the date of such deposit.

Notice of general meetings.

7.—(1) 21 clear days' notice at least of every general meeting (including the annual general meeting) shall be given by advertisement in such newspapers as provided in Rule 95 and also to the Society's auditors. The length of notice in every case shall be calculated exclusive of the day on which the notice is given or deemed to be given and the day for which it is given.

(2) Every notice of meeting shall specify the place, the day and the hour of meeting and in the case of special business the general nature of such business. The notice convening an annual general meeting shall specify the meeting as such.

(3) Where a general meeting is to be called to consider a special resolution there shall be included in the notice of the meeting either the actual resolution proposed to be passed, or in so far as the statutes permit a sufficient explanation to show the effect of the proposed resolution and a statement that the actual resolution proposed can be inspected during normal business hours at the principal office and such offices of the Society within the United Kingdom as may be designated in the notice.

Business at annual general meetings.

8.—(1) The ordinary business of an annual general meeting shall be to—

- (a) consider the profit and loss and revenue accounts and balance sheet and the ordinary reports of the directors and auditors;
- (b) elect directors and auditors in the place of those (if any) retiring at the meeting;
- (c) determine the remuneration or extra remuneration to be paid to the directors and auditors for their services; and
- (d) transact any other business which under the laws of the Society ought to be transacted at the annual general meeting of the Society.

(2) All other business transacted at any annual general meeting and all business transacted at any special meeting shall be deemed special.

Quorum.

9. No business shall be transacted at any general meeting unless a quorum be present when the meeting proceeds to business. Save as provided in Rule 10 25 members present in person shall be a quorum for an annual general meeting and for a special general meeting.

In case no quorum.

10. If within half an hour from the time appointed for any general meeting a quorum is not present the meeting if convened on the requisition of members shall be dissolved. In the case of any other meeting the meeting shall stand adjourned to the same day in the next week at the same time and place and if at such adjourned meeting a quorum as above defined is not present within 15 minutes from the time appointed for holding the meeting the members present shall be a quorum.

Chairman.

11.—(1) The chairman (if any) of the directors or failing him the deputy chairman or failing him the vice-chairman shall preside as chairman at every general meeting.

(2) If there be no such chairman or deputy chairman or vice-chairman or if none of them be present at the meeting within 15 minutes after the time appointed for holding the meeting or be willing to act as chairman the directors present shall choose one of their number or if no director be present or if all the directors present decline to take the chair the members present shall choose one of their number to be chairman.

12.—(1) The chairman may with the consent of any general meeting adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.

SCH.
—cont.
Adjournment of
meeting.

(2) It shall not be necessary to give any notice of an adjournment or of the business to be transacted at any adjourned meeting.

13.—(1) At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is, on or before the declaration of the result of the show of hands, demanded by the chairman or by a majority of the directors present at the meeting or by 50 or more members of the Society present at the meeting and together owning either alone or jointly with other persons life insurances in the ordinary life insurance department of the Society for an aggregate amount insured of not less than £1,000,000 exclusive of bonuses and a demand by a person as proxy for a member shall be the same as a demand by the member.

Voting.

(2) Unless a poll is so demanded a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the book of proceedings of the Society shall be conclusive evidence of the fact without any further proof.

(3) The demand of a poll shall not prevent the continuance of the general meeting for the transaction of any business other than the matter respecting which the poll is to be taken.

(4) No poll shall be demanded on the election of a chairman.

14. A poll duly demanded as aforesaid shall be taken in such manner and at such place and time (not being less than six or more than 21 days from the day of the meeting at which the same has been demanded) as the chairman of the meeting shall direct and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

Poll.

15. In the case of an equality of votes whether on a show of hands or on a poll the chairman of the meeting at which the show of hands takes place or the poll is demanded shall have a second or casting vote.

Casting vote.

VI. VOTES OF THE MEMBERS

16.—(1) On a show of hands every member present in person shall have one vote and one vote only.

Votes of the
members.

(2) On a poll every member present in person or by proxy shall have one vote for each £1,000 of the sum (exclusive of bonuses) insured by the life insurances in the ordinary life insurance department of the Society owned by him (whether alone or jointly with others and whether incumbered or not).

17. Any member entitled to attend and vote at a meeting of the Society is entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of him. A proxy shall not be entitled to vote at the meeting except on a poll but shall have the same right to speak at the meeting as the member appointing him.

Appointment of
proxies.

18. A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, his attorney under a power of attorney duly executed and registered in accordance with the Enduring Powers of Attorney Act 1985 (or, in the case of a joint or joint and several power of attorney duly executed and registered as aforesaid, by one of the attorneys appointed thereunder and nominated in writing for the purposes of this Rule by all of such attorneys),

Persons of unsound
mind.

1985 c. 29.

SCH.
—cont.

curator bonis, controller or other person authorised in that behalf appointed by that court, and any such receiver, attorney, curator bonis, controller or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the directors of the authority of the person claiming to exercise the right to vote shall be deposited at the principal office, or at such other place as is specified in the notice convening the meeting for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.

Objections to voting.

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

Form of proxies.

20. An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor and shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the directors may approve):—

“WESLEYAN ASSURANCE SOCIETY

I/We,
of
being a member/members of Wesleyan Assurance Society in respect of
the under-noted policy/ies hereby appoint
of
or failing him,
of
as my/our proxy to vote in my/our name/s and on my/our behalf at
the annual/special meeting of the Society to be held on
and at any adjournment thereof.

Policy/ies above referred to

Policy/ies number/s
.....
.....

This form is to be used in respect of the resolutions mentioned below as follows:—

Resolution No. 1 *for/against.

Resolution No. 2 *for/against.

*Strike out whichever is not desired.

Unless otherwise instructed, the proxy may vote as he thinks fit or abstain from voting.

Signed this _____ day of _____ .”

Deposit of proxies.

21. The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the directors may be deposited at the principal office or at such other place within the United Kingdom as may be specified in the notice convening the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and an instrument of proxy which is not deposited in a manner so permitted shall be invalid.

Validity of proxies.

22. A vote given or poll demanded by proxy shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless written notice of the determination was received by the Society at the principal office or at such other place at which the instrument of proxy was duly deposited before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or the time appointed for taking the poll.

23. No member under the age of 18 years or holding an appointment as divisional manager, district manager, superintendent, agent, canvasser or of any similar nature for the Society shall be entitled to be present or take part in or vote at any general meeting of the Society or on any poll of the members thereof.

SCH.
—*cont.*

Minors and officers
not to vote.

24. No member shall be entitled to be present or take part in or vote at any general meeting of the Society or on any poll of the members thereof unless all contributions and premiums presently payable upon or in respect of any policy issued by the Society of which he is the owner (whether alone or jointly with others and whether incumbered or not) shall have been paid.

Members not
entitled to vote
unless premium
paid.

VII. DIRECTORS

25. The Board of Directors shall consist of a chairman, a deputy chairman and a vice-chairman and of not less than four nor more than 12 other directors. The number of the directors (within the limits aforesaid) shall be in the discretion of the Board and in the event of the Board at any time resolving that the number of the directors shall be reduced or increased effect shall be given to such resolution at the next succeeding annual general meeting when the places of a sufficient number of the retiring directors shall be allowed to remain unfilled or (as the case may require) a sufficient number of additional directors shall be elected to give effect to such resolution.

Directors.

26.—(1) No person shall be capable of being appointed or elected or re-elected a director unless he be duly qualified at the time of his appointment or election or re-election.

Qualification of
directors.

(2) The qualification of a director shall be that he has been for two years at least the owner (whether subject to incumbrances or not) of a policy or policies in the ordinary life insurance department of the Society on his own life (being either a whole life policy or an endowment insurance policy effected for a period of 25 years at least) for the sum of or sums aggregating £2,000 at least exclusive of bonuses issued at an annual premium of at least £100 payable if the director shall so long live for at least 25 years or until the director attains the age of 65 years whichever period is the longer and so that ownership of such policy or policies shall continue to qualify a director after the said period has expired notwithstanding consequent cessation of payment of premiums:

Provided that the foregoing requirement as to two years' ownership of such policy or policies to qualify a person for appointment, election or re-election as a director shall not apply to a person appointed a director by resolution of the Board.

27. No person holding an appointment as divisional manager, district manager, superintendent, agent, canvasser or other similar office for the Society or for any society or company engaged in any business of a similar nature to any business of the Society shall be eligible for the office of a director of the Society.

Officers not eligible
as directors.

28. Every director holding office as chairman, deputy chairman and vice-chairman at the date of the passing of the Act of 1989 and every director thereafter appointed to any of such offices shall subject to Rule 29 hold such office until he either ceases to be a director or is removed therefrom by resolution of the Board and no director for the time being holding office as chairman, deputy chairman or vice-chairman shall be subject to retirement by rotation at any annual general meeting or be taken into account in determining the rotation of retirement of the directors.

Chairman, deputy
chairman and vice-
chairman.

29. Every vacancy occurring in the office of chairman, deputy chairman or vice-chairman shall be filled by the Board by the appointment of another member of their body thereto but every appointment so made shall be subject to the confirmation of the next following annual general meeting of the Society

Vacancies in offices
of chairman, deputy
chairman and
vice-chairman.

SCH.
—cont.

and unless such appointment be confirmed at such meeting the person appointed shall as from the date of the meeting cease to hold the office to which he was so appointed and shall not be capable of being again appointed to the office of chairman, deputy chairman or vice-chairman without the approval of the Society in general meeting and the Board shall forthwith appoint another member of their body to such office in the place of the director so ceasing to hold such office.

Vacation of office
of director.

30. The office of a director shall ipso facto be vacated—

- (1) if he becomes bankrupt or compounds with his creditors;
- (2) if he is, or may be, suffering from mental disorder and either—

1983 c. 20.

(i) he is admitted to hospital pursuant to an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1984 or is detained in a hospital for medical treatment under the Mental Health (Northern Ireland) Order 1986; or

1984 c. 36.

S.I. 1986/595
(N.I.4).

(ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis, controller or other person to exercise powers with respect to his property or affairs;

- (3) if he ceases to hold his qualification hereinbefore mentioned;
- (4) if he is convicted of an indictable offence and the Board resolves that by reason thereof his office be vacated;
- (5) if by notice in writing left at the principal office he resigns office;
- (6) if he is absent from meetings of the Board for six calendar months without leave of absence from the Board and the Board resolves that by reason thereof his office be vacated;
- (7) if he is called upon by a resolution of the Board passed by a majority of two-thirds of the directors present and voting to resign;
- (8) if he becomes the holder of any such appointment as mentioned in Rule 27;
- (9) at the annual general meeting of the Society immediately following his attaining the age of 70 years.

Certain acts not to
disqualify.

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

Provided that—

- (1) the nature of his interest must be disclosed by him at the meeting of the directors at which the contract or arrangement is determined on if his interest then exists or in any other case at the first meeting of the directors after the acquisition of his interest; and
- (2) no director shall as a director vote in respect of any contract or arrangement in which he is so interested as aforesaid and if he does so vote his vote shall not be counted but this prohibition may at any time or times be suspended or relaxed to any extent by the Society in general meeting.

General notice as to
director's interest.

32. A general notice that a director is a member of any specified firm or corporation and is to be regarded as interested in all transactions with that firm or corporation shall be a sufficient disclosure under Rule 31 as regards such director and the said 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 that firm or corporation.

33. Where a director is directly or indirectly interested in any insurance contract which shall in the ordinary course of business be effected by or through such director through the general manager or other proper officer of the Society disclosure to the general manager or such other officer that such director is so interested shall be deemed to be sufficient disclosure for the purposes of Rules 31 and 32 and the general manager or such other officer may deal with any such contract as regards terms, premiums, commission or otherwise as freely as he could deal therewith if such director were not so interested.

SCH.
—cont.
Disclosure of
interest to general
manager.

34. The directors shall be entitled to such remuneration for their services as shall from time to time be determined by resolution of the Society at an annual general meeting. Such remuneration shall be divided amongst the directors in such proportions and manner as the Board shall by resolution determine.

Remuneration of
directors.

35. Any director who by request performs special services or goes away from or resides elsewhere than at his ordinary place of residence for any purposes of the Society may be paid by the Board such extra remuneration whether by way of salary, percentage of profits or otherwise as the Board may determine and such extra remuneration shall be charged as part of the Society's ordinary working expenses.

Extra remuneration.

VIII. APPOINTMENT, ELECTION AND RETIREMENT OF ORDINARY DIRECTORS

36.—(1) At the annual general meeting in every year one-fourth of the directors (other than the chairman, deputy chairman and vice-chairman and the managing director if any) or if their number is not divisible by four the number nearest to but not less than one-fourth shall retire from office.

Retirement of
directors.

(2) A director retiring at a meeting shall retain office until the close of or adjournment of the meeting.

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

Mode of retirement.

38. A retiring director shall be eligible for re-election.

Eligibility for
re-election.

39. The members at the meeting at which a director retires in manner aforesaid shall (subject to the provisions of Rule 25) fill the vacated office by electing a duly qualified person thereto.

Election.

40. No person other than a director retiring at the meeting shall unless recommended by the directors for election be eligible for election to the office of a director at any annual general meeting unless not later than the 10th day of March last preceding the day of the meeting there shall have been given to the Society notice in writing by some member duly qualified to be present and vote at the meeting of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

Mode of election.

41. If at any meeting at which an election of directors ought to take place the place of any retiring director is not filled such director shall (subject to the provisions of Rule 25) be deemed to have been re-elected.

If no election
retiring director re-
elected.

42.—(1) The directors shall have power at any time and from time to time to appoint any qualified person to be a director to fill a casual vacancy in the Board howsoever arising.

Casual vacancy to
be filled by Board.

(2) Any director so appointed shall hold office only until the next following annual general meeting of the Society and shall then be eligible for election.

SCH.
—cont.
Proceedings of
directors.

IX. PROCEEDINGS OF DIRECTORS

43. The directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. The meetings of the Board shall be commenced with prayer. Questions arising at any meeting shall be determined by a majority of votes. In case of an equality of votes the chairman shall have a second or casting vote. Any two directors may and the managing director or the general manager on the requisition of any two directors shall at any time summon a meeting of directors. It shall not be necessary to give notice of a meeting of directors to any director for the time being absent from the United Kingdom.

Quorum.

44. The quorum necessary for the transaction of the business of the directors may be fixed by the directors and unless and until otherwise so fixed shall be four.

Continuing
directors may act in
case of vacancy.

45. The continuing directors may act notwithstanding any vacancy in their body but if and so long as their number is reduced below 7 the continuing directors may act for the purposes of filling vacancies in their body or of summoning general meetings of the Society but not for any other purpose and may act for either of the purposes aforesaid whether or not their number is reduced below the number fixed by or in accordance with the Rules as the quorum of directors.

Chairman of
directors.

46. The chairman or failing him the deputy chairman or failing him the vice-chairman shall preside at all meetings of the Board at which they are present. If at any time there be no chairman or deputy chairman or vice-chairman or if at any meeting none of them be present within five minutes after the time appointed for holding the same the directors present may choose one of their number to be chairman of the meeting.

Directors may
exercise all powers.

47. A meeting of the directors for the time being at which a quorum is present shall be competent to exercise by resolution of the meeting all powers and discretions for the time being exercisable by the directors under the laws of the Society and not thereby expressly required to be exercised by any special majority of the directors.

Committees.

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

Chairman of
committees.

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

Proceedings of
committees.

50. A committee may meet and adjourn as they think fit. Questions arising at any meeting shall be determined by a majority of votes of the members present and in case of an equality of votes the chairman shall have a second or casting vote.

Acts of directors
and committees
valid
notwithstanding
informalities.

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

X. POWERS OF DIRECTORS

Management of
affairs of the
Society vested
in directors.

52. The management of the business and affairs of the Society (including therein the management of the property of the Society) shall be vested in the directors and the directors in addition to the powers and authorities by the laws

of the Society expressly conferred upon them may exercise all such powers and do all such acts and things as may be exercised or done by the Society and are not by the laws of the Society or by the statutes directed or required to be exercised or done by the members at a meeting of the members of the Society but subject nevertheless to the provisions of the laws of the Society and the statutes:

SCH.
—cont.

Provided that no Rule shall invalidate any act of the directors done before such Rule was made which would have been valid if such Rule had not been made.

53. The directors shall without prejudice to the general powers hereinbefore conferred on them have power from time to time—

Powers of directors.

- (1) to direct and control the accumulation and investment of the funds of the Society in any of the investments authorised by the Rules;
- (2) to grant and effect at such rates and on such terms and conditions as they think fit insurances and annuities or any other authorised business;
- (3) to regulate from time to time the terms and conditions that shall attach to policies or insurances issued by the Society and in particular the matters following (that is to say):—
 - (a) with the concurrence of the actuary the rates of premiums and other contributions to be charged in respect of new proposals;
 - (b) the conditions as to foreign travel and residence, occupation and service in any of the armed forces of the Crown upon which all or any policies or policy or insurances shall be granted by the Society and whether in all or any case or cases such conditions may be modified or dispensed with;
 - (c) the events in which policies or insurances shall be forfeited or become void and of no effect;
 - (d) the extent to which relief may be granted by the directors in case of any policy or insurance being forfeited or becoming void from any cause;
 - (e) the exemption of any policies or insurances from forfeiture and the circumstances in which and the extent to which such exemption shall apply;
 - (f) the conditions upon which any policies or insurances which have or may become lapsed or forfeited or liable to become lapsed or forfeited by reason of non-payment of premiums or other contributions or from any other cause may be revived or maintained in force;
- (4) to open and establish new departments of the Society for the carrying on of new or separate classes of business and to discontinue or close any department (other than the ordinary life insurance department) and transfer the policies or insurances issued thereout to any other department and to carry out, provide for, regulate and control the issue and continuance of policies or insurances in the different departments of the Society for the time being;
- (5) in all or any case or cases if they see fit to suspend, waive or dispense with all or any of the conditions of forfeiture or other terms and conditions attaching to any policies or insurances;
- (6) at any time during the currency of a policy or insurance on the application of or by arrangement with the owner thereof to alter or vary the subsisting method of paying the premiums or making the contributions in respect of such policy or insurance to any other method of equivalent value approved of by the directors or to substitute an insurance payable on the occurrence of any other event or to convert an insurance of one class into an insurance of any other class on such terms and conditions as the directors may deem equitable and proper;

SCH.
—cont.

- (7) to redeem or purchase or receive the surrender in whole or in part of any policy or insurance issued or granted by the Society or of the bonus additions thereto and to allow such value therefor as they may see fit or to issue or grant in lieu thereof a paid-up policy or insurance for a reduced amount or to convert the original policy or insurance into such paid-up policy or insurance or otherwise to deal with the same as may be arranged between them and the owner thereof;
- (8) to make ex gratia payments of such amount as they think fit in the case of any policy or insurance which has been forfeited or become void from any cause;
- (9) to call for such evidence as they may deem necessary of all claims against the funds of the Society and upon their being satisfied of the justice of such claims to direct the payment thereof;
- (10) to make, alter and repeal from time to time byelaws for conducting and regulating the affairs of the Society including any of the matters specified or referred to in the Rules:

Provided always that any byelaw made or altered in virtue hereof be not inconsistent with the laws of the Society;

- (11) to appoint and remove or suspend such general manager, secretaries, assistant secretaries, actuaries, medical officers and clerks and to make all such other appointments of officers, district representatives, assistants, agents and others as they may consider necessary for efficiently carrying on the business or affairs of the Society (including therein the management of the property of the Society) to fix, assign and alter the duties and to fix and alter the salaries and emoluments of such officers and others and in their discretion to grant pensions or retiring allowances to employees or ex-employees of the Society or to their spouses, families, connections and dependants or vote sums of money to be paid to the staff or employees of the Society by way of honorarium during their employment;
- (12) to secure the fulfilment of any contracts or engagements entered into by the Society by mortgage or charge of all or any of the property of the Society or in such other manner as they think fit;
- (13) to give any person employed by the Society a commission on the profits of any particular business or transaction or a share in the general profits of the Society or of any department thereof and so that such commission or share of profits shall be treated as part of the working expenses of the Society;
- (14) to enter into all such negotiations and contracts and to rescind or vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Society as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Society.

XI. SEAL AND AUTHENTICATION OF DOCUMENTS

Seal.

54. The directors shall provide for the safe custody of the seal and the seal shall never be used except by the authority of the directors or a committee of the directors and in the presence of at least one director and the secretary of the Society and one director and the secretary of the Society shall sign every instrument to which the seal is affixed in their presence. All deeds and formal instruments or documents of every description which require to be granted and executed by the Society shall be valid and sufficient when sealed with the common seal of the Society in the presence of and signed by one director and the secretary in manner aforesaid.

Save that—

- (1) all policies shall be valid and sufficient if signed by at least one director and in addition by the managing director or the general manager or secretary or if the same have printed, lithographed or otherwise

mechanically reproduced thereon the signatures of at least one director and in addition of the managing director or the general manager or secretary;

SCH.
—cont.

- (2) all contracts for sale or purchase shall be valid and sufficient if signed by a director or duly authorised officer;
- (3) all tenancy agreements shall be valid and sufficient if signed by the managing director or the general manager or by such other person as may from time to time be duly authorised in that behalf by the directors;
- (4) all cheques, promissory notes, drafts, bills of exchange or other negotiable and transferable instruments shall be signed, drawn, accepted or otherwise executed, as the case may be, in such manner as the directors shall from time to time by resolution determine;
- (5) all receipts for premiums and other annual or periodical payments in favour of the Society and for any other payment made to the Society in the ordinary course of business shall be valid and sufficient if signed by the managing director or the general manager or other duly authorised officer or if made on a form issued by the Society with the name of such managing director or the general manager printed or otherwise placed thereon as acknowledging the receipt of the premium or payment signed or initialled by some person purporting to act as a cashier, clerk or agent of the Society; and
- (6) any affidavit, statutory or other declaration or other similar document required from or by the Society may be made and verified by the managing director or the general manager or other principal officer for the time being of the Society or by the secretary or by any director of the Society for and on behalf of the Society.

55.—(1) The Society may have, for use in any territory elsewhere than in the United Kingdom, an official seal which shall be a facsimile of the seal of the Society with the addition on its face of the name of the territory where it is to be used.

Seals for use
abroad.

(2) The Society may have, for use in any territory elsewhere than in the United Kingdom in respect of which a local name shall have been adopted pursuant to section 8 (3) of the Act of 1989, a local seal, which shall be a facsimile of the seal of the Society, save only that on the face thereof there shall be both the name of the Society and the local name for the time being adopted in respect of the territory.

(3) The Society may, by writing under its seal authorise an agent for the purpose in any territory elsewhere than in the United Kingdom to affix the seal of the Society or the local seal, as the case may be, to any deed or document to which the Society is a party in that territory and any deed or document so sealed shall be binding on the Society.

(4) The person affixing the seal of the Society or the local seal, as the case may be, shall certify in writing on the deed or document to which the seal is affixed the date on which and the place at which it was affixed.

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

Authentication
of documents.

XII. MANAGING DIRECTORS AND GENERAL MANAGERS

57. The directors may from time to time appoint one or more persons to be managing director or general manager of the Society on such terms as they think fit.

Appointment of
managing director
or general manager.

58. A managing director shall not whilst holding that office be subject to retirement at any annual general meeting but his appointment shall (subject to

Tenure of office.

SCH.
—cont.

the terms of any contract between him and the Society) be subject to determination ipso facto if he ceases for any reason to be a director of the Society.

Remuneration of
managing director
or general manager.

59. A managing director or general manager shall receive such remuneration (whether by way of salary, participation in profits, commission or of any other description or partly one and partly another) as the directors may determine or as may be fixed by any contract between such managing director or general manager and the Society.

Delegation of
powers to managing
director or general
manager.

60. The directors may entrust to and confer upon a managing director or general manager any of the powers exercisable by them as directors upon such terms and conditions and with such restrictions as they think fit and either collaterally with or to the exclusion of their own powers and may also prescribe and fix the duties to be performed by any managing director or general manager.

XIII. LOCAL BOARDS

Local boards.

61. The directors may from time to time appoint any number of persons to be a local board in any place (whether in the United Kingdom or elsewhere) for the purpose of carrying on the business of the Society at any such place.

Delegation of
powers to local
board.

62. The directors may by power of attorney or otherwise confer on a local board any powers vested in the directors to be exercised within the district for which such local board is appointed.

Remuneration.

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

Regulations.

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

Vacancy.

65. The directors may fill any vacancy on a local board.

Removal of
members.

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

Local board may
delegate powers.

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

XIV. TRUSTEES

Appointment of
trustees.

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

Trustees may
delegate powers.

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

Trustees to act
in accordance
with directors'
instructions.

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

XV. SEPARATE AND HYPOTHECATED FUNDS

Formation of
separate and
hypothecated
funds.

71.—(1) The directors may, having regard to the advice of the actuary, make all necessary and convenient arrangements for carrying to a separate or

hypothecated fund or funds the receipts from such business as is mentioned in paragraph (2) below, and for meeting from that fund or funds the payments in respect of such business, and may if they think fit provide that such fund or funds be security for the insurances under the policies attributable thereto respectively in the same manner as if each such fund formed the fund of a separate company carrying on no other business than that comprised in such policies.

SCH.
—cont.

(2) A separate or hypothecated fund may be established under paragraph (1) above in respect of—

- (a) any particular class of business; or
- (b) the business arising in any territory or territories; or
- (c) any particular class of business arising in any territory or territories.

72. The directors may, on establishing a separate or hypothecated fund or funds, make provisions in relation to the fund or funds so established touching or concerning any or all of the following matters:—

Application of
separate and
hypothecated
funds.

- (a) the liability of the fund or funds to creditors of the Society;
- (b) the extent to and circumstances in which transfers may be made to or from other funds of the Society from or to the fund or funds;
- (c) the extent to and manner in which the charges and expenses (if any) of the Society in connection with the fund or funds and the expenses of operating the same shall be met by or from the same in addition to or to the exclusion of any other funds of the Society.

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

Prospectuses for
separate and
hypothecated funds.

XVI. RESERVES, PERIODICAL INVESTIGATION AND DISTRIBUTION OF PROFITS

74.—(1) Out of any surplus or profits of the Society or of any particular department or of any separate or hypothecated fund determined by any annual or other investigation into its financial position made pursuant to the provisions of any public general Act relating to insurance companies for the time being in force or to the Rules the directors may set aside and carry to any reserve or reserves whether general or special such sums as they think expedient.

Reserve funds.

(2) All sums so set aside to any reserve and also all sums standing at the date of the passing of the Act of 1989 to the credit of any reserve or special fund of the Society shall at the discretion of the directors be applicable for meeting the expense of establishing, making known or providing deposits or funds required in connection with any new department thereafter established by the Society or of purchasing or taking over any business thereafter purchased or taken over by the Society or for meeting any other contingencies or for repairing or maintaining the buildings and offices of the Society or of purchasing lands or buildings or for building upon, developing or otherwise improving any lands or buildings of the Society or for providing pensions, superannuation allowances or gratuities for the directors, officers, staff, employees or ex-employees of the Society or the spouses, families, dependants or connections of any such persons or for equalising bonuses or for any other purpose for which the directors consider that it is in the interests of the Society that the same or any part thereof should be applied and pending such application may at the discretion of the directors be invested upon any of the investments upon which the moneys of the Society not required to satisfy the immediate claims and expenses of the Society may be laid out and invested by the directors without it being necessary to keep the investments of the reserves separate from the investments of any other funds of the Society.

75. With all reasonable dispatch after each 31st day of December the directors shall cause an investigation to be made into the financial position of

Actuarial
investigation.

SCH. — <i>cont.</i>	the Society as on that date by a duly qualified actuary (such investigation to include a valuation of the liabilities of the Society) and if it shall appear from the report of the actuary that the funds and assets of the Society or of any particular department of the Society have accumulated so as to be more than sufficient to discharge the whole of the claims made or liable to be made thereon then the surplus shall be dealt with as hereinafter provided.
Distributable surplus.	76. The directors may set aside out of such surplus and carry to any reserve or reserves whether special or general pursuant to Rule 74 such sums as they think fit and may also carry forward any part of the said surplus which they think fit without carrying the same to reserve and the balance of such surplus remaining after setting aside and carrying forward such sums as aforesaid shall be and is hereinafter referred to as the distributable surplus of the Society and the declaration of the directors as to the amount of the distributable surplus of the Society shall be final and conclusive against the members and other persons, if any, entitled to participate in such surplus.
Allocation of distributable surplus.	77. The directors may allocate or apply any part of the distributable surplus which they think fit (or which under the terms of any policies issued or any rules or regulations from time to time made by the directors ought to be allocated or applied for the purpose) towards or in providing for or making any payments or bonuses to or allowing or conferring any benefits, privileges or advantages to or upon the persons insured in the industrial insurance department of the Society (or any other department of the Society insurance in which does not constitute the persons effecting such insurances members of the Society) or any class or classes of such persons as they think fit.
Balance of distributable surplus allocated to members holding policies.	78. The balance of the distributable surplus remaining after deducting any part thereof allocated or applied under Rule 77 shall be divided by way of bonus amongst the members of the Society holding with-profit policies in the Society more than two years in force by allotting to each such member his due share in respect of such policy: Provided that every such share so allotted to any holder shall be appropriated by the directors as an addition to the sum assured by his policy or at their option to reduce the amount of premium payable by such holder but no such division or distribution shall be made unless it shall have been duly recommended or certified as just and equitable by such actuary as aforesaid.
XVII. INSURANCES	
Payment of policies to legal representatives.	79. Where any sum is payable by the Society in respect of any policy to the legal representatives of any person who has died domiciled elsewhere than in any part of the United Kingdom the directors may if they think fit and irrespective of the country in which such policy may have been issued or such sum may be payable or such deceased person may have been domiciled pay such sum to such legal representatives in or at any country or place on production at the office of the Society where such sum is payable of the confirmation or probate of the will of such deceased person or letters of administration or other grant of representation of his estate whether obtained in the United Kingdom or elsewhere or of other evidence satisfactory to the directors that the persons claiming such sum are the legal representatives of such deceased person and the receipt of such legal representatives shall be a complete and sufficient discharge to the Society and the Society shall not be bound to see to the application of the moneys paid on any such receipt.
Payment in respect of insurances.	80.—(1) Every claim against the funds of the Society shall be payable at such time or times as shall be specified in the policy applicable thereto or at such other time or times as may be agreed upon between the Society and the claimant or fixed in accordance with the laws of the Society. (2) Except as otherwise agreed between the Society and the person by or to whom such sums are payable, all sums payable to or by the Society in respect

of an insurance shall be payable at such office as may have been notified to the policy holder or at the place of payment specified in the policy and if no such place is notified or specified, at the principal office or, in the case of an insurance effected in a territory in respect of which a local head office has been designated at that local head office.

SCH.
—cont.

81. Whenever on the death of any member or other person entitled to any policy a sum not exceeding £1,000 or such other sum as the directors may from time to time determine shall become payable by the Society it shall be lawful for the directors if they shall be satisfied that no will was made and left by such deceased person and that no letters of administration or confirmation or other grant of representation of his estate will be taken out of his or her funds, goods and chattels to pay the same at any time after the decease of such person to any person claiming to be his or her widow or surviving husband or child or to pay or divide the same to or amongst the person or persons who in the opinion of the directors are entitled to the effects of the deceased intestate without requiring the taking out of letters of administration in England or Ireland and without confirmation in Scotland or other grant of representation of his estate elsewhere and a receipt signed by any person claiming as aforesaid shall be a full and effectual discharge to the Society in respect of all moneys payable to him upon the death of such person.

Payment under policies for less than £1,000.

82. All insurances issued by the Society shall be issued subject to the laws of the Society.

Insurances subject to laws of the Society.

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

The Society not bound by trusts.

84.—(1) The person in whom any policy is legally vested whether such person is beneficially entitled thereto or holds the same as mortgagee or as a trustee for any other person may (unless being a mortgagee or trustee he is to the knowledge of the directors expressly prohibited from so doing by the terms of the mortgage or trust) surrender such policy in whole or in part to the Society either for a cash payment or in consideration of the policy being converted into a paid-up policy for a reduced amount or in exchange for any paid-up or other policy to be substituted for the original policy or for any other consideration or may otherwise deal with such policy as may be agreed between such person and the directors and if any policy is legally vested in the Society as mortgagee or is charged to it by way of deposit or otherwise the Society may surrender such policy to itself giving credit or otherwise accounting for its surrender value.

Surrender of and conversion of policies.

(2) Any surrender or agreement made or entered into under this Rule shall be valid and effectual in all respects.

XVIII. ACCOUNTS

85. The directors may open bank accounts in the name of the Society (or otherwise as required) with such bank or banks as they may select. All such accounts may be opened and operated by such persons as the directors may from time to time authorise to that effect.

Bank accounts.

86.—(1) The directors shall cause to be kept such books of account as are necessary to exhibit and explain the transactions and financial position of the Society and to give a true and fair view of the state of its affairs and in

Accounts.

SCH.
—cont.

particular (but without limiting the generality of this Rule) proper books of account with respect to—

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

(b) the assets and liabilities of the Society.

(2) In keeping such accounts the directors shall have regard to any provisions of the statutes with regard to the accounts to be kept by insurance companies and as to keeping separate accounts of separate classes of insurance business which are applicable to the Society.

Accounts to be available for inspection.

87. The books of account shall be kept at the principal office or at such other place as the directors think fit and shall at all times be open to inspection by the directors. No member (other than a director) shall have any right of inspecting any account or book or document of the Society except as authorised by the directors or by the Society in general meeting.

Accounts to be presented at annual general meeting.

88. The directors shall cause to be prepared and to be laid before the annual general meeting of the Society in every year such profit and loss and revenue accounts, balance sheet and directors' and auditors' reports as are for the time being required to be prepared and laid before the Society in general meeting by the relevant provisions of the statutes.

Copies of accounts to be furnished.

89. Any member, policy holder or debenture holder of the Society shall be entitled to be furnished on demand without charge with a copy of the last balance sheet of the Society including every document required by law to be annexed thereto together with a copy of the auditors' report on the balance sheet.

XIX. AUDIT

Appointment of auditors.

90. An auditor or auditors of the Society shall be appointed and their duties regulated in accordance with the relevant provisions of the statutes.

XX. NOTICES

Service of notices, etc., on the Society.

91. Any summons or notice or any writ or other proceedings required to be served on or given to the Society may be served or given by being given personally to the secretary or the managing director or other principal officer for the time being of the Society or by being left at or transmitted by post in a registered letter or by the recorded delivery service to the principal office or if it relates to insurances or other engagements entered into with parties described as of any territory outside the United Kingdom in respect of which a local head office has been designated, to that local head office.

Service of notices on members.

92. A notice required to be given by the Society to any member otherwise than by advertisement may be served either personally or by sending it through the post addressed to such member at his registered address. The registered address of a member shall be the latest address in the United Kingdom which has been notified to the Society and is registered in its record of addresses as the address of the member.

Address of members residing outside United Kingdom.

93. Each member whose registered address is not in the United Kingdom shall from time to time notify in writing to the Society an address in the United Kingdom which shall be deemed his registered address within the meaning of Rule 92.

Notice by advertisement.

94. Any notice required to be given by the Society to the members, policy holders, policy owners or any of them shall if not otherwise expressly provided for by the Rules or by the statutes be sufficiently given if by advertisement.

95. Any notice required to be or which may be given by advertisement shall if not otherwise expressly provided for by the Rules or by the statutes be advertised at least once in two national daily newspapers.

SCH.
—cont.
Mode of
advertisement.

96. Any notice given by advertisement shall be deemed to be given on the day on which the advertisement or the second of the advertisements of such notice appears.

Date of notice by
advertisement.

97. Any notice sent by post shall be deemed to have been given on the day on which the notice is posted and in proving the giving of such notice it shall be sufficient to prove that it was properly addressed and posted.

Date of notice
by post.

98. Every person who by operation of law, assignment, purchase or other means whatsoever shall become the owner of any policy shall be bound by every notice in respect of such policy which previously to his name and address being entered on the register shall have been duly given to the person from whom he derives his title to such policy.

Owners of policies
bound by notice to
previous owner.

99. The signature to any notice to be given by the Society may be written or printed.

Authentication
of notices.

XXI. ARBITRATION

100. Every matter in dispute between the Society or any person acting under or on behalf of the Society and any member thereof or person claiming through or under any such member may be referred to and decided by arbitration pursuant to the Arbitration Acts 1950 and 1979 or any statutory modification thereof for the time being in force.

Arbitration.

XXII. PROTECTION OF DIRECTORS, OFFICERS, TRUSTEES AND OTHERS

101. Every director, officer, agent and employee and every trustee or nominee for the time being of the Society is entitled to be indemnified out of the funds of the Society against all costs, charges, losses, damages and expenses which he incurs or is put to on account of any contract, act, deed, matter or thing made, done, entered into or executed by him on behalf of the Society and to be reimbursed by the Society all reasonable expenses incurred by him in or about any legal proceedings of the Society or otherwise in the execution of his office, except such costs, charges, losses, damages and expenses as happen through his own neglect, default, breach of duty or breach of trust:

Indemnity of
directors and
others.

Provided that the Society may indemnify any such director, officer, agent, employee, trustee or nominee against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in which relief is granted to him by the court.

102. A director, officer, agent, employee, trustee or nominee of the Society shall not be chargeable for any money not actually received by him, nor be answerable for the act, receipt, neglect or default of any other director, officer, agent, employee, trustee or nominee, or of any banker, solicitor, broker, collector, agent or other person appointed by the directors with whom or into whose hands any property or money of the Society is deposited or comes, or for any defect in the title to property from time to time purchased, leased or taken by order of the directors, or for any loss or damage happening in the execution of his office, unless that loss or damage happens through his own neglect, default, breach of duty or breach of trust.

Limitation of
responsibility
of directors
and others.

103. Any director, officer, agent, employee, trustee or nominee of the Society shall be entitled to the same right of exemption and indemnity in respect of anything done or omitted to be done by him prior to the coming into force of the Rules as he would have been entitled to by virtue of the rules in force at the date of such act or omission.

Preservation
of existing
indemnity.

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