



CHAPTER xvii.

An Act to provide for the substitution of a memorandum and articles of association for the existing constitution and regulations of the Legal and General Assurance Society Limited and to repeal the Legal and General Life Assurance Society's Act 1878 and the Legal and General Assurance Society's Act 1919 and for other purposes. A.D. 1922.

[31st May 1922.]

WHEREAS prior to the date of the deed of settlement hereinafter recited divers persons engaged in the profession of the law formed themselves into a society or partnership under the name of "The Legal and General Life Assurance Society" (hereinafter called "the Society") for the purpose of carrying on the business of life assurance :

And whereas by a deed of settlement dated the fourteenth day of April one thousand eight hundred and thirty-eight provision was made for the establishment of the Society with a capital of one million pounds in twenty thousand shares of fifty pounds each and by clause 2 of the said deed of settlement it was provided that the object and business of the Society should be to make or effect assurances on lives and on survivorships and all such other assurances connected with life as might be effected according to law including endowments for widows children and other persons and to grant and sell annuities either for lives or years and on survivorships and either immediate deferred reversionary or contingent :

And whereas by the Legal and General Life Assurance Society's Act 1878 (in this Act referred to as "the Act of

A.D. 1922. 1878") provision was made for the Society suing and being sued in the name of a public officer and for the appointment by the directors of the Society of "Estate Trustees" and "General Trustees" of the Society and the enrolment of successive memorials of their names in the Chancery Division of the High Court of Justice and also for the vesting (with certain exceptions) of all the estates property and effects real personal and mixed from time to time held upon trust for the Society in the persons who should from time to time appear by the memorials so successively enrolled to be the Estate Trustees of the Society :

And whereas by the Legal and General Life Assurance Society's Act 1895 (in this Act referred to as "the Act of 1895") the objects of the Society were extended so as to include in addition to the business mentioned in clause 2 of the said deed of settlement the other businesses and purposes mentioned in the Act of 1895 and certain provisions were made for the event of the Society being registered and incorporated under the Companies Acts 1862 to 1890 or any Acts amending or extending the same :

And whereas by the Legal and General Assurance Society's Act 1919 (in this Act referred to as "the Act of 1919") the name of the Society was altered to the Legal and General Assurance Society and the objects of the Society were defined and extended so as to consist of and comprise the objects therein mentioned and the Act of 1895 was repealed and certain of its provisions were re-enacted with amendments and provision was made for the maintenance so far as possible of the rate of bonus theretofore declared by the Society on its participating policies of life and endowment assurance which rate was fixed as the maximum to be thereafter attached to such participating policies :

And whereas on the first day of April one thousand nine hundred and twenty the Society was duly registered under the Companies Acts 1908 to 1917 with limited liability :

And whereas on the registration of the Society all the property then vested in the Estate Trustees of the Society became by virtue of section 14 of the Act of 1919 vested in the Society and no property has since been transferred to or otherwise become vested in the said Estate Trustees in trust for the Society :

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And whereas it is expedient and would be of advantage to the Society in carrying on its business that the objects and regulations of the Society should be expressed in a memorandum and articles of association and that the memorandum and articles of association set forth in the Schedule to this Act should be substituted for the said deed of settlement as varied altered extended or added to under the power contained in clause 37 thereof and for the Act of 1878 and the Act of 1919 and that the said Acts should be repealed :

And whereas section 14 of the Act of 1919 did not operate to vest in the Society on its registration powers of attorney then vested in the Estate Trustees of the Society and if the Act of 1878 is repealed it is expedient that such powers should be vested in the Society :

And whereas it is expedient to make such other provision as this Act contains :

And whereas the objects of this Act cannot be attained without the authority of Parliament :

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

1. This Act may be cited as the *Legal and General Assurance Society Limited Act 1922.* Short title.

2. In this Act the expression "the Society" means the *Legal and General Assurance Society Limited.* Interpretation.

3. On and after the passing of this Act the memorandum and articles of association set forth in the schedule hereto shall subject to the provisions of the Companies Acts 1908 to 1917 or any enactment amending or extending those Acts or substituted therefor (including the powers as regards alteration contained in such Acts) become and be the memorandum and articles of association of the Society in substitution for the said deed of settlement as varied altered extended or added to under the power contained in clause 37 thereof and for the Act of 1878 and the Act of 1919 and shall be treated as having been registered accordingly. Memorandum and articles of association to be substituted for deed of settlement &c.

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Repeal
of Acts.

Powers of
attorney
of Estate
Trustees to
be vested
in Society.

4. The Act of 1878 and the Act of 1919 are hereby repealed but without prejudice to anything done or suffered thereunder.

5.—(1) All powers of attorney at any time given for valuable consideration to the Estate Trustees for the time being of the Society which on the registration of the Society under the Companies Acts 1908 to 1917 were vested in the then Estate Trustees of the Society or any of them and are still subsisting or capable of arising shall by force of this Act become vested in the Society and the Society shall be the duly constituted attorney for the purposes of every such power.

(2) Where any such power of attorney authorises any conveyance assignment or other disposition or assurance of property or any interest in property real or personal in the name or on behalf of any person an officer of the Society appointed for the purpose by the board of directors by resolution or otherwise may execute the deed or other instrument in the name of such person and where an instrument appears to be executed by an officer so appointed then unless the contrary is proved the instrument shall be deemed to have been duly executed.

Copy of
Act to be
registered.

6. The Society shall deliver to the Registrar of Joint Stock Companies a printed copy of this Act and he shall retain and register the same and if such copy is not so delivered within three months from the passing of this Act the Society shall incur a penalty not exceeding two pounds for every day after the expiration of those three months during which the default continues and any director or manager of the Society who knowingly and wilfully authorises such default shall incur the like penalty. Every penalty under this section shall be recoverable summarily. There shall be paid to the registrar by the Society on such copy being registered the like fee as is for the time being payable under the Companies (Consolidation) Act 1908 on registration of any document other than a memorandum of association or the abstract required to be filed with the Registrar by a receiver or manager or the statement required to be sent to the registrar by the liquidator in a winding up in England and upon such registration and payment the registrar shall on the request of the Society certify

under his hand such registration and deliver such A.D. 1922.
certificate or a duplicate thereof to the Society.

7. Nothing in this Act shall be deemed to exempt General
the Society from the provisions of the Assurance Com- Acts to
panies Act 1909 or from the provisions of any general apply.
Act passed during the present or any future session
of Parliament affecting insurance companies formed
previously to the passing thereof.

8. All costs charges and expenses of and incident to Costs of
the preparing applying for obtaining and passing of this Act.
Act or otherwise incurred in relation thereto shall be
paid out of the funds of the Society.

A.D. 1922. The SCHEDULE referred to in the foregoing Act.

MEMORANDUM OF ASSOCIATION OF THE LEGAL AND
GENERAL ASSURANCE SOCIETY LIMITED.

1. The name of the Company is "The Legal and General Assurance Society Limited."
2. The registered office of the Society is situated in England.
3. The objects of the Society are—
 - (1) To carry on in any part of the world whether within His Majesty's dominions or not the business of every description of insurance (including re-insurance) against any loss damage injury liability misfortune contingency or event now known or hereafter devised and all matters of business which now are or may come to be connected with such business and without prejudice to the generality of the powers conferred by the preceding words to do all or any of the things described in the next succeeding clauses :
 - (2) To make or effect insurances on the life or lives of any person or persons whomsoever and on survivorships and to make or effect all such other assurances connected with life as may be effected according to law including endowments for widows children and other persons and to grant and sell annuities either for lives or years and on survivorships and either immediate deferred reversionary or contingent and generally to carry on and transact every class of business which is now carried on and transacted by life insurance companies :
 - (3) To grant or effect insurances of all kinds for the payment of money by way of a single payment or by several payments or by way of immediate or deferred annuities or otherwise upon (i) the marriage or the birth or failure of issue of any person whether in the lifetime of any other person or not (ii) the attainment of a given age by any person whether in the lifetime of any other person or not (iii) any combination of any of the aforesaid contingencies or events (iv) the happening of any other contingency or event which would or might be taken to affect the interest whether vested or contingent and whether in possession reversion remainder expectancy possibility or otherwise

of any person in any property or (v) the loss or recovery of contractual or testamentary capacity in any person : A.D. 1922.

- (4) To contract with leaseholders borrowers lenders annuitants and others for the establishment accumulation provision and payment of sinking funds redemption funds depreciation funds renewal funds and any other special funds either in consideration of a lump sum or of an annual payment or otherwise and generally on such terms and conditions as may be arranged :
- (5) To issue policies securing the payment of any sum of money or of any annuity on the total or partial cessation of any interest in property or of any annuity or other periodical payment :
- (6) To purchase and deal in and lend on life and other interests in property of all kinds (whether vested or contingent and whether in possession reversion remainder expectancy or possibility or otherwise and whether determinable or not) and annuities and policies of insurance (whether granted or issued by the Society or not) and to acquire lend money on redeem cancel or extinguish by purchase surrender or otherwise any policy security grant or contract issued made or taken over or entered into by the Society or in respect of which the Society may be liable :
- (7) To carry on the business of accident insurance in all its branches and the insurance of employers and masters against liability for accidents to their workmen or servants or others and to issue policies securing or otherwise to undertake (a) the payment of any sum or sums periodical or otherwise upon the death or during the disability absolute or partial of any person or persons or any class of persons directly or indirectly attributable to accident or misadventure of any kind or intentional violence or injury or during the disability absolute or partial of any person from sickness or disease or physical or other causes of any description or (b) the indemnification of any person coming under liability in respect of or consequent upon the death or sickness of or personal injury to another and generally to carry on all matters of business which now are or may come to be connected with either of the above classes of insurance in any of the various branches thereof or which may be transacted by accident or employers' liability insurance companies :
- (8) To insure any person or persons against all damages costs claims or demands upon or against them which

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may arise or be made on account of any act or default or alleged act or default :

- (9) To carry on the businesses of marine insurance and underwriters of marine risks of every kind and any future developments of such businesses :
- (10) To insure against loss or damage (including loss or damage by disturbance or interruption of trade) directly or indirectly caused or occasioned by fire lightning or explosion however originating or caused and against damage to or destruction of property intentionally caused for the purpose of arresting the progress of any conflagration and generally to carry on the business of fire insurance in all its branches :
- (11) To employ acquire keep and maintain or to join or assist in employing acquiring keeping and maintaining for the prevention and extinguishing of fires and the salvage and protection of property such officers persons engines utensils implements horses carriages and other appliances and things as the Society may think proper with power to become a member of or contribute to any salvage corps or other body having for its object the salvage or protection of property :
- (12) To grant insurances against loss of or accident injury or damage to aircraft of every description and property conveyed by aircraft and against loss damage or injury to property directly or indirectly caused by aircraft and generally to carry on the businesses of aviation insurance and underwriters of aviation risks of every kind and any future developments of such businesses :
- (13) To grant insurances against loss of or damage or injury to property by burglary larceny or theft or by accident or wilful damage or while in transit by any mode of conveyance or by sprinkler leakages or by the use or employment of electricity or electrical apparatus and to carry on the business of plate glass boiler and engine insurance and to insure against loss or damage occasioned by or arising out of the breakdown of machinery of all kinds and to grant insurances of all kinds against loss or liability in connection with the ownership occupation or management of property :
- (14) To insure against loss or damage (including loss or damage by disturbance or interruption of trade) directly or indirectly caused or occasioned by volcanic eruptions earthquake or subsidence or by floods hurricanes storms or other phenomena of nature and against the happening of frost hail rain or

drought or any consequence arising therefrom or any loss or damage thereby : A.D. 1922.

- (15) To insure against the loss or depreciation of publicans' and other licences :
- (16) To insure horses cattle sheep and live stock of all kinds against disease sickness accident or death and against the happening or non-happening of any other event :
- (17) To become surety by bond or otherwise for the acts or defaults of any person or class of persons in any employment or holding any position of trust or confidence and to guarantee the due performance by any person of any contract for the execution of work or the supply of anything or the performance of any obligation and to indemnify or guarantee principals and employers against injury loss or damage arising from the acts or defaults of agents servants workmen or others in their employment or acting on their behalf whether such liability arises under Act of Parliament or otherwise and to enter into Admiralty bail bonds and generally to carry on all matters of business which may be transacted by fidelity insurance companies :
- (18) To grant insurances against loss arising from the miscarriage or loss of or injury to title deeds or instruments documents and securities in transit or otherwise :
- (19) To guarantee the payment of money secured by or payable under or in respect of bonds debentures debenture stock mortgages charges notes bills of exchange obligations and securities of any company or of any authority supreme municipal local or otherwise or of any persons whomsoever and to guarantee manufacturers and others against loss by bad debts and to guarantee any person against loss of income or profits however arising :
- (20) To guarantee the validity of titles and instruments of title and other instruments :
- (21) To re-insure with any company or individual any risks undertaken by the Society and to issue policies of re-insurance and to enter into re-insurance contracts upon any terms and whether or not binding the Society for any fixed term to accept without investigation any part of risks undertaken by any company or individual being of such a nature as the Society may be authorised to insure against and generally to undertake all kinds of re-insurance and counter-insurance connected with any of the classes of insurance business hereinbefore mentioned :

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- (22) To pay satisfy or compromise any claims made against the Society in respect of any policies or contracts granted by dealt in or entered into by the Society which claims the Society may deem it expedient to pay satisfy or compromise notwithstanding that the same may not be valid in law :
- (23) To act as trustee or executor without remuneration if so desired and to undertake the conduct of any business connected with trusts or the estates of deceased persons and to act as the agent for the issue of any bills bonds debentures debenture stock stock or shares whether or not offered to the public for subscription and to guarantee or underwrite the subscription of any securities stock or shares and to undertake all kinds of agency business :
- (24) To receive for safe custody deeds securities or other documents or money or any personal chattels with or without undertaking liability for any loss thereof or injury thereto :
- (25) To nominate any person including any officer of the Society to accept the office of trustee of any property in which the Society is for the time being interested and to indemnify any such person against any liability incurred by him in the execution of the trusts affecting such property :
- (26) To sell the whole or any part or branch of the business property and undertaking of the Society :
- (27) To promote any company or companies for the purpose of acquiring any part or branch of the business property and undertaking of the Society or all or any of the rights and liabilities of the Society or for carrying on any business which the Society is authorised to carry on including in particular the purpose of undertaking trusts and the administration of the estates of deceased persons and to hold stock or securities of or shares or other interests in any such company and to dispose of the same and to make and carry out arrangements for giving the Society the entire or partial control or management or benefit of the business of any such company and to guarantee the dividends or interest on any stock shares debentures debenture stock mortgages or bonds or other securities of any such company ;
- (28) To accept as the consideration for the sale of the whole or any part or branch of the business property and undertaking of the Society or for any services rendered the stock or obligations or securities of or any shares or other interests in any company :

- (29) To purchase subscribe for or otherwise acquire stock or securities of or shares in any company carrying on any business which the Society is authorised to carry on : A.D. 1922.
- (30) To purchase or acquire or contract for carrying on or administering the whole or any part or branch of the business property and undertaking of any company or individual carrying on any business which the Society is authorised to carry on and in connexion with any such purchase to take over all or any of the liabilities of such company or individual :
- (31) To invest the funds of the Society in any way it may think fit and to acquire and hold any real or personal property either for facilitating the carrying on of any business of the Society or as an investment of its funds and to deal with and dispose of the same :
- (32) To manage sell improve exchange enfranchise partition lease mortgage or otherwise deal with or dispose of any real or personal property for the time being belonging to or held by or in trust for the Society Provided that if the Society shall hold any property subject to the jurisdiction of the Charity Commissioners the Society shall not sell lease or mortgage the same without such authority as may be required by law :
- (33) To borrow money and to issue bonds debentures debenture stock or other obligations whether perpetual or redeemable payable to bearer or otherwise and for the purpose of securing borrowed money and interest thereon or for securing any obligations issued by the Society or for any other purpose of the Society to mortgage or charge the whole or any part of its assets present or to be acquired and its undertaking :
- (34) To appropriate and pay or distribute but subject as to participating policies as hereinafter defined to the provision hereinafter contained to or among the holders of policies of the Society or other persons with whom it may have dealings or any class or classes of such persons any part of the general profits of the Society or of the profits derived from any one or more of its several businesses and either in cash or by any deferred payment or by the diminution of any premiums or in any other way and by the terms of any policy or prospectus to bind itself to make any such appropriation payment or distribution :
- (35) To establish and support or aid in the establishment and support of associations institutions funds trusts and conveniences calculated to benefit servants or ex-servants of the Society or the dependents or connexions of such persons and to grant pensions and

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allowances and to contribute towards the premiums or sums payable in respect of the life accident or health insurance of any servant of the Society and to subscribe or guarantee money for any charity or benevolent object or for any exhibition or for any public general or useful object :

(36) To carry on any of its businesses by or through a subsidiary company or subsidiary companies and to form or establish any company or companies for the purpose of carrying on any business herein authorised or which may seem conducive to the Society's interests as principal or as agent for the Society and to subscribe for or otherwise acquire hold and deal with any stock or other securities of or shares in subsidise lend money to enter into arrangements with and take part in the management and control of any company so formed or established and to guarantee the due performance of its obligations and to transfer to any such company any part or branch of its business and to blend the receipts of any such subsidiary company with the revenue of the Society from other sources :

(37) To amalgamate and to enter into any arrangement for sharing profits union of interests joint adventure reciprocal concession or co-operation with any company or individual carrying on or engaged in or about to carry on or engage in any business or transaction which the Society is authorised to carry on and to subscribe for or otherwise acquire hold and deal with any stock or securities of or shares in any such company and to subsidise lend money to or otherwise assist any such company or individual and to manage or control or take part in the management or control of the business of any such company or individual and to act as agents or trustees for any such company or individual :

(38) To do all such other things as are incidental or conducive to the attainment of the above objects or any of them.

4. The liability of the members is limited.

5. The capital of the Society is one million pounds divided into 200,000 shares of 5*l.* each of which 16*s.* has been paid in respect of each share.

6.—(a) At the end of every bonus period a declaration shall be made of the amount of the profits calculated up to the end of such period to be set apart out of every assurance fund of the Society and the board shall cause such profits to be set apart accordingly and nine-tenth parts thereof and no more shall be

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profits available for bonuses as hereinafter provided and the remaining one-tenth part thereof shall be carried over and added to the general profits of the Society available for dividend. Provided that if the board shall think fit an interim declaration may at any time or times during any bonus period be made of the profits calculated up to the end of any year ending on the 31st day of December to be set apart out of any such assurance fund and the board shall cause such profits to be set apart accordingly and in any such case nine-tenth parts of the profits so set apart shall be carried to a suspense fund and the remaining one-tenth part thereof shall be carried over and added as aforesaid and at the end of such bonus period a final declaration shall be made of the amount of the profits calculated up to the end of such period to be set apart out of every assurance fund in respect of which an interim declaration or interim declarations shall have been made as aforesaid and the board shall cause such profits to be set apart accordingly and nine-tenth parts thereof together with the suspense fund shall be profits available for bonuses as hereinafter provided and the remaining one-tenth part thereof together with so much of the suspense fund as though available shall not be in fact required for bonuses shall be carried over and added to the general profits of the Society available for dividend.

(b) The profits to be set apart as aforesaid out of any assurance fund shall be ascertained and declared in accordance with the regulations in the articles of association of the Society hereinafter contained or in such other manner as the board may from time to time determine.

(c) There shall be appropriated to the participating policies which shall be in force at the end of each bonus period the profits then available for bonuses but not exceeding such an amount as shall be sufficient to secure to each such participating policy a reversionary bonus equivalent to interest at the rate of one pound eighteen shillings per centum per annum on the sum assured by such policy and the bonuses previously declared in respect of such policy and not taken in cash (such interest being calculated from the commencement of such bonus period or from the date during such period when such policy was effected as the case may be to the end of such period) and the balance if any of such profits shall be carried over and added to the general profits of the Society available for dividend. The amount appropriated as aforesaid to the participating policies shall be apportioned by way of reversionary bonus between the participating policies the sum so apportioned as a reversionary bonus to each policy to be payable at the time when the sum assured by such policy shall become payable unless previously commuted surrendered or otherwise dealt with. Provided always that if on the issue of any participating policy it was one of the conditions on the footing of which it was issued that it should not be entitled to share in profits until after the completion of any period in its

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duration this clause (c) shall not apply to such policy until after the completion of such period and nothing contained in this clause shall prejudice or affect any condition made or to be made on the issue of any participating policy that any sum apportioned thereto as a reversionary bonus should be contingent on the completion of any period in the duration of such policy or that bonuses should be applied in the gradual extinction of premiums or in any other manner.

(d) The board may pay any sum of money which they may think fit and equitable as an interim bonus on any participating policy which may become a claim during any bonus period and any such sum with compound interest thereon to the end of such period with half-yearly rests at the rate of four per cent. per annum shall be brought into account as part of the profits available for bonuses.

(e) If and when there shall be no participating policies in force the whole of the profits of all the assurance funds of the Society shall when so set apart as aforesaid be carried over and added to the general profits of the Society available for dividend.

7. In this memorandum of association the following expressions have the following meanings :—

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

“ Bonus period ” means a period at the expiration of which bonuses are to be declared on the participating policies ;

“ Participating policies ” means a life survivorship or endowment policy issued or to be issued by the Society in respect of which the premiums payable were or are at the date of issue those for the time being calculated for persons desirous of participating in profits ;

“ Assurance funds ” means and includes the life assurance fund and any other fund or funds formed or kept pursuant to the Assurance Companies Act 1909 or any Act amending or extending the same or otherwise in respect of any insurance business or class of insurance business for the time being carried on by the Society ;

“ Company ” includes any society société anonyme or association of persons whether incorporated or not and whether constituted or formed or intended to be constituted or formed in the United Kingdom or abroad.

ARTICLES OF ASSOCIATION OF THE LEGAL AND GENERAL ASSURANCE SOCIETY LIMITED.

PRELIMINARY.

1. The regulations contained in Table A of the First Schedule to the Companies (Consolidation) Act 1908 shall not apply to the Society.

2. The following words and expressions shall have the following meanings unless there shall be something in the subject or context repugnant to such construction that is to say :— A.D. 1922.

“The Society” means the Legal and General Assurance Society Limited;

“The statutes” means the Companies Acts 1908 to 1917 and every enactment amending or extending those Acts or substituted therefor;

“The board” “bonus period” “participating policies” and “assurance funds” have the meanings assigned to these expressions respectively by the memorandum of association;

“The office” means the registered office for the time being of the Society;

“The directors” means the directors of the Society;

“The register” means the register of members to be kept pursuant to section 25 of the Companies (Consolidation) Act 1908;

“Shares” include stock;

“Month” means calendar month;

Words and expressions defined in the statutes shall have the same meanings in these articles unless the context otherwise requires;

Words importing the singular shall include the plural and vice versa and words importing the masculine gender shall include females and words importing persons shall include bodies corporate.

QUALIFICATION OF MEMBERS.

3. The following persons only shall be qualified to hold shares in the capital of the Society and to become members thereof :—

(a) Barristers-at-law of any of the Inns of Court of England or Ireland and members of the Faculty of Advocates in Scotland and all persons who have been admitted as such respectively :

(b) Solicitors of any court in England Wales or Ireland clerks or writers to the signet solicitors and certificated law agents in the Supreme Courts in Scotland and all persons who have been admitted as such respectively and whether continuing so or not and all other persons whom the board shall consider to be connected with the law :

(c) Any persons in the employment of the Society in whatever capacity whose admission to membership would in the opinion of the board be desirable.

THE FUNDS OF THE SOCIETY.

4. The board shall form and maintain such separate assurance funds relating to any class or classes of business carried on

A.D. 1922: by the Society as shall for the time being be prescribed by law or as in any other cases the board shall think fit and the board shall keep separate and distinct accounts of every such fund and of the additions and disbursements which shall from time to time be made to or out of the same. Any separate fund required to be kept by law shall be composed of such of the premiums and other moneys received by the Society as ought by law to be carried to the credit of such fund and of the increase thereof from time to time by accumulation or otherwise. Any other separate fund not required to be kept by law which the board may think fit to form and maintain shall be composed of the premiums and other moneys received by the Society in respect of all insurances contracts and other transactions belonging to or connected with the class or classes of business to which it relates and of the increase thereof from time to time by accumulation or otherwise.

5. All the costs charges and expenses of the Society shall be paid by the board out of the various funds of the Society in such proportions as the board shall think fit.

6. For the purpose of ascertaining the share of income belonging to the several assurance funds of the Society and to the general profits of the Society respectively such income shall for all purposes of investment be treated as one fund and in every year ending the 31st of December the income received by the Society shall be divided in such manner as the board may think fit and any loss or profit arising from the purchase of reversions remainders expectancies and other interests or from investments shall be distributed or allocated on the same principle from time to time.

7. The several assurance funds of the Society shall be primarily liable in respect of all assurances contracts and other transactions belonging to or connected with the class or classes of business to which such funds respectively relate.

8. At the expiration of every bonus period or as soon after as conveniently may be the board shall cause a calculation to be made of the respective amounts of the profits which up to the end of that period shall by accumulation or otherwise have accrued to the several assurance funds of the Society and which may not have been previously set apart by virtue of this article and applied or still be applicable as provided by the next succeeding article and which according to the existing knowledge of the principles and the approved practice of insurance at the time may in the judgment of the actuary of the Society or of other the person or persons making such calculation be with safety set apart out of those respective funds without prejudice to the existing claims and demands thereon and shall cause the respective amounts which the actuary or other person or persons making the calculation shall certify may with safety be so set apart to be submitted to an extraordinary general meeting which it shall be

imperative on the board to call for the purpose of declaring the amount of profits calculated up to the end of such bonus period to be set apart out of the said several assurance funds. Provided that if such extraordinary general meeting shall disapprove of any calculation so made and the result thereof and the amount proposed to be set apart out of any such fund the matter in question shall be referred back to the board in order that they may reconsider the same and cause a further or new calculation of profits to be made if necessary and the board shall cause the result of such reference to be submitted to another extraordinary general meeting and if such extraordinary general meeting shall disapprove of such result then the same reference to the board and the same submission to an extraordinary general meeting shall be repeated toties quoties until the amounts of profits to be set apart out of all the said several assurance funds shall have been approved of and declared at an extraordinary general meeting especially called for the purpose of declaring the same. A bonus period shall be five years or such less period as may from time to time be determined by the board. A.D. 1922.

9. The amounts of profits so approved of and declared as aforesaid shall be set apart accordingly out of the said several funds and shall be dealt with in the manner directed by the memorandum and articles of association of the Society. Provided that the board may pay any sum of money which they may think fair and equitable as an interim bonus on any participating policy which may become a claim during any bonus period and any such sum with compound interest thereon to the end of such period with half-yearly rests at the rate of four per cent. per annum shall be brought into account as part of the profits available for bonuses.

SHARES.

10. None of the funds of the Society shall be employed in the purchase of or in lending money on the security of shares of the Society.

11. The Society shall not be bound to see to the execution of any trust whether express implied or constructive to which any share may be subject and the receipt of the person in whose name any share shall stand in the books of the Society shall from time to time be a sufficient discharge to the Society for any dividend or other sum of money payable in respect of such share notwithstanding any trust to which such share may then be subject and whether or not the Society have had notice of such trust and the Society shall not be bound to see to the application of the money paid upon such receipt.

12. Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint

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- (a) The Society shall not be bound to register more than three persons as the joint holders of any share :
- (b) The joint holders of any share shall be liable severally as well as jointly in respect of all payments which ought to be made in respect of such share :
- (c) On the death of any one of such joint holders the surviving holder or holders or the executors or administrators of the last surviving holder shall be the only person or persons recognised by the Society as having any title to such share, but the board may require such evidence of death as they may think fit and nothing herein contained shall release the estate of a deceased member from any liability in respect of such share :
- (d) Any one of the joint holders may give effectual receipts for any dividends or capital sum payable to such joint holder :
- (e) Only the person whose name stands first in the register of members as one of the joint holders of a share shall be entitled to delivery of the certificate relating to such share but any one of such joint holders may vote at any meeting either personally or by proxy in respect of such share as if he were solely entitled thereto and if more than one of such joint holders be present personally or by proxy at any meeting that one of the said persons so present whose name stands first on the register shall alone be entitled to vote in respect of such share.

CERTIFICATES.

13. Every person whose name is entered as a member in the register shall without payment be entitled to a certificate under seal of the Society in a form to be fixed by the Society for the shares registered in his name Such certificates shall specify the shares comprised therein and the amount paid up thereon.

14. If a share certificate is defaced lost or destroyed it may be renewed on payment of such fee (if any) not exceeding one shilling and on such terms if any as to evidence and indemnity as the board may think fit.

LIEN.

15.—(1) The Society shall have a first and paramount lien upon all shares not fully paid up registered in the name of each member for his debts liabilities and engagements solely or jointly with any other person to or with the Society whether the period for the payment fulfilment or discharge thereof shall have actually arrived or not Such lien shall extend to all dividends from time to-time declared in respect of such shares unless otherwise agreed

the registration of a transfer of shares shall operate as a waiver of the Society's lien (if any) upon such shares. A.D. 1922.

(2) For the purpose of enforcing such lien the Society may sell the shares subject thereto in such manner as they think fit but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or his executors or administrators and default shall have been made by him or them in the payment fulfilment or discharge of such debts liabilities or engagements for seven days after such notice.

(3) The net proceeds of any such sale shall be applied in or towards satisfaction of the debts liabilities or engagements and the residue if any paid to such member his executors administrators or assigns.

CALLS ON SHARES.

16. The board may from time to time make such calls upon the members in respect of all moneys unpaid on their shares as the board may think fit provided that one month's notice at least is given of each call and each member shall be liable to pay the amount of calls so made to the persons and at the times and places appointed by the board.

17. A call shall be deemed to have been made at the time when the resolution authorising such call was passed.

18. If any call payable in respect of any share is not paid on or before the day appointed for payment thereof the holder for the time being of such share shall be liable to pay interest on the same at such rate as the board may determine not exceeding ten per cent. per annum from the day appointed for the payment thereof to the time of the actual payment and in any action for payment of a call production of the register or an excerpt therefrom certified by the registrar and a copy of the minute making the call certified in like manner and evidence that notice of the call was given to the member in terms of these articles shall be sufficient proof of the liability and of the amount owing.

19. The Society may if they think fit receive from any member willing to advance the same all or any part of the money due upon the shares held by him beyond the sums actually called for and upon the money so paid in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made the Society may pay interest at such rate as the member paying such sum in advance and the Society agree upon.

TRANSFER AND TRANSMISSION OF SHARES.

20. No share shall be transferred to any person who does not at the time of such transfer possess in the judgment of the

A.D. 1922. board (whose decision shall be final) such qualification for membership of the Society as is mentioned or indicated in Article 3 of these articles and no such transfer shall be registered. This restriction shall extend to a transfer on the sale or re-allotment of a forfeited share or on the sale of any share to enforce a lien of the Society.

21. The board may refuse to register any transfer of shares not being fully paid shares to a person though possessing such qualification as aforesaid of whom they do not approve and whether such person is already registered as a holder of shares or not and may also refuse to register any transfer of shares on which the Society has a lien and they shall not be bound to assign any reason for such refusal.

22. The instrument of transfer of any shares in the Society shall be signed both by the transferor and transferee and the transferor shall be deemed to remain a holder of the shares until the name of the transferee is entered in the register in respect thereof and upon such entry the shares shall vest in the transferee and every such transfer may be in the usual common form or in such other form as the board may from time to time determine.

23. The board shall not be bound to register any transfer made by a member except upon delivery of the share certificate.

24. The transfer books and register may be closed during such time in each year as the Society may determine.

25. On the death of a member his executors or administrators shall alone be recognised by the Society as having any title to the share or interest of a deceased member. Any person becoming entitled to a share in consequence of the death of a member shall be entitled to receive such dividends as shall be declared on the share within seven years after such death but the right to receive any dividend declared after such period shall be suspended until some person shall have become a member in respect of such share.

26. Any committee of a lunatic member and any person becoming entitled to a share in consequence of the death or bankruptcy of a member may subject to the regulations as to transfers herein contained execute a transfer of such share or may if in the judgment of the board he possesses such qualification for membership of the Society as is mentioned or indicated in Article 3 of these articles and subject to such lien if any as the Society may have on such share be registered as a member upon production of the share certificate and such evidence of title as may be required by the board. This article is hereinafter referred to as "the transmission clause."

27. Every instrument of transfer and the certificate of the shares comprised therein shall be lodged with the Society and the Society shall be furnished with such evidence as the board may

require to prove the title of the transferor and thereupon (and upon payment of the proper fee) the transferee shall subject to the foregoing regulations be registered as a member and the certificate and instrument of transfer shall be retained by the Society. A.D. 1922.

FORFEITURE OF SHARES.

28. If any member fail to pay any call or money payable under the terms of allotment of a share on the day appointed for payment thereof the board may at any time while the same remains unpaid serve a notice on him requiring him to pay the same together with interest at such a rate not exceeding ten per cent. per annum as the board may determine and any expenses that may have arisen by reason of such non-payment.

29. The notice shall name a further day not being less than seven days from the service of the notice on or before which such call or other money and all interest and such expenses (if any) are to be paid and the place where payment is to be made (the place so named being either the office or some other place at which calls of the Society are usually made payable) and shall state that in the event of non-payment at or before the time and at the place appointed the share in respect of which such payment is due will be liable to be forfeited.

30. If the requirements of any such notice as aforesaid are not complied with any share in respect of which such notice has been given may at any time thereafter before payment of all money due thereon with interest and expenses be forfeited by a resolution of the board to that effect.

31. Any share forfeited shall be deemed to be the property of the Society and may be held re-allotted or disposed of in such manner as the board may think fit and in case of re-allotment with or without any money paid thereon by the former holder being credited as paid thereon the board may by resolution waive a forfeiture.

32. The holder at the time of forfeiture of a share which has been forfeited shall notwithstanding such forfeiture be liable to pay to the Society all calls or other money owing upon such share at the time of forfeiture together with interest not exceeding the maximum rate hereinbefore mentioned.

33. In the case of the sale or re-allotment of a forfeited share or the sale of any share to enforce a lien of the Society a certificate in writing under the seal of the Society that the share has been duly forfeited or sold in accordance with the regulations of the Society shall be sufficient evidence of the facts therein stated as against all persons claiming such share. Such certificate and the receipt of the Society for the price of such share shall constitute a good title to the same and a certificate of proprietorship shall be delivered to the purchaser or allottee

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and he shall be registered in respect thereof and thereupon he shall be deemed to be the holder of such share discharged from all calls or other money due prior to such purchase or allotment and he shall not be bound to see to the application of the purchase money or consideration nor shall his title to such share be affected by any irregularity in the sale or forfeiture.

ALTERATION OF CAPITAL.

34. The Society in general meeting may from time to time increase its capital by the issue of new shares. Such new shares shall be of such amount and shall be issued at such price and for such consideration and on such terms and conditions and with such preference or priority as regards dividends or in the distribution of assets or otherwise over or ranking equally with other shares whether preference ordinary or deferred and whether then already issued or not or as deferred shares and with such special rights of or restriction against voting as the Society in general meeting may direct. Subject to any direction to the contrary that may be given by the resolution sanctioning the increase of share capital all new shares shall before issue be offered to such persons as at the date of the offer are entitled to receive notices from the Society of general meetings in proportion as nearly as the circumstances admit to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered and limiting time within which the offer if not accepted will be deemed to be declined and after the expiration of that time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered the board may subject to the regulations as to transfer herein contained dispose of the same in such manner as they think most beneficial to the Society. The board may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot in the opinion of the board be conveniently offered under this article. Subject to any such direction the new shares shall be subject to the same provisions with reference to the payment of calls lien transfer transmission forfeiture and otherwise as the shares in the original share capital.

35. The Society may (i) by ordinary resolution—

- (a) consolidate and divide its share capital into shares of larger amount than its existing shares;
- (b) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person;

and may (ii) by special resolution—

- (a) Sub-divide any of its shares into shares of smaller amount;
- (b) Reduce its capital in any manner permitted by law.

36. The Society in general meeting may convert any paid up shares into stock and may re-convert into paid up shares of any denomination. A.D. 1922.

37. Where any shares have been converted into stock the several holders of such stock may thenceforth transfer their respective interests therein or any part of such interests in the same manner and subject to the same regulations as and subject to which shares in the Society's capital may be transferred or so near thereto as circumstances will admit but the board may from time to time if they think fit fix a minimum amount of stock transferable and direct that fractions of a pound or amounts which are not multiples of a pound shall not be dealt in with power nevertheless at their discretion to waive such rules in any particular case.

38. The stock shall confer on the holders thereof respectively the same privileges and advantages as regards participation in profits and voting at meetings of the Society and for other purposes as would have been conferred by shares of equal amount in the capital of the Society but so that none of such privileges or advantages except the participation in profits of the Society shall be conferred by any such aliquot part of stock as would not if existing in shares have conferred such privileges or advantages and save as aforesaid all the provisions herein contained shall so far as circumstances will admit apply to stock as well as to shares.

GENERAL MEETINGS.

39. General meetings of the Society (not being extraordinary general meetings) shall be held once in every year at such time (not being more than fifteen months after the holding of the last preceding general meeting) and place as may be prescribed by the Society in general meeting and if no other time or place is prescribed at such time and place as may be determined by the board.

40. The above-mentioned general meetings shall be called ordinary general meetings all other meetings of the Society shall be called extraordinary general meetings.

41. The board may whenever they think fit and they shall upon a requisition made in writing by members holding in the aggregate not less than one-tenth in the issued capital of the Society upon which all calls or other sums of money then due have been paid convene an extraordinary general meeting.

42. Any such requisition shall specify the object of the meeting required and shall be signed by the members making the same and shall be deposited at the office. It may consist of several documents in like form each signed by one or more of the requisitionists. The meeting must be convened for the purposes

A.D. 1922. — specified in the requisition and if convened otherwise than by the board for those purposes only.

43. In case the board for fourteen days after such deposit fail to convene a meeting to be held within twenty-one days after such deposit the requisitionists or any other members holding the like proportion of the capital may themselves convene a meeting to be held within six weeks after such deposit.

44. If at any such meeting a resolution requiring confirmation at another meeting is passed the board shall forthwith convene a further extraordinary general meeting for the purpose of considering the resolution and if thought fit of confirming it as a special resolution and if the board do not convene the meeting within seven days from the date of the passing of the first resolution the requisitionists or a majority of them in value may themselves convene the meeting.

45. Where it is proposed to pass a special resolution the two meetings may be convened by one and the same notice and it shall be no objection to such notice that it only convenes the second meeting contingently on the resolution being passed by the requisite majority at the first meeting.

46. Seven days' notice specifying the place day and hour of meeting and in case of special business the general nature of such business shall be given by notice sent by post or otherwise served as hereinafter provided.

47. The accidental omission to give any such notice to any of the members shall not invalidate any resolution passed at any such meeting.

48. At every general meeting the board shall cause to be produced if called for and the general meeting shall so direct any of the account minute or other books belonging to the Society and any other documents and writings concerning the Society which shall be in the possession or power of the directors.

PROCEEDINGS AT GENERAL MEETINGS.

49. The business of an ordinary general meeting shall be to receive and consider the statement of income and expenditure the balance sheet and the reports of the directors and of the auditors to elect directors and appoint auditors and to vote their remuneration to declare dividends and to transact any other business which under these presents ought to be transacted at an ordinary general meeting. All other business transacted at an ordinary general meeting and all business transacted at an extraordinary general meeting shall be deemed special.

50. Three members personally present and entitled to vote shall be a quorum for a general meeting for the choice of a chairman and the adjournment of the meeting. For all other purposes

the quorum for a general meeting shall be members present personally or by proxy not being less than five in number No business shall be transacted at any general meeting unless the quorum requisite be present at the commencement of the business. A.D. 1922.

51. The chairman of the board (if any) or in his absence or if he shall decline to take the chair or retire from the chair the vice-chairman (if any) shall be entitled to take the chair at every general meeting If no chairman or vice-chairman has been appointed or if at any meeting neither the chairman nor the vice-chairman be present within fifteen minutes after the time appointed for holding such meeting the directors present or in default the members present shall choose another director as chairman and if no director be present or if all the directors present decline to take the chair then the members present shall choose one of their number to be chairman.

52. If within half an hour from the time appointed for the meeting a quorum is not present the meeting if convened upon the requisition of members shall be dissolved but in any other case it 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 is not present those members who are present shall be a quorum and may transact the business for which the meeting was called.

53. At any general meeting every question shall subject to the right to demand a poll be determined on a show of hands and (unless a poll is demanded by the chairman or by at least five persons personally present and qualified to vote) a declaration by the chairman that a resolution has been passed or lost and an entry to that effect in the book of proceedings of the Society shall be conclusive evidence of the fact and in the case of a resolution requiring any particular majority that it was passed by the required majority without proof of the number or proportion of the votes recorded in favour of or against such resolution.

54. If a poll is demanded as aforesaid it shall be taken in such manner and at such time and place as the chairman of the meeting directs and either at once or after an interval or adjournment or otherwise and the result of such poll shall be deemed to be the resolution of the Society in general meeting The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded The demand of a poll may be withdrawn at any time before the termination of the meeting.

55. The chairman may with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting

A.D. 1922. other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for ten days or more notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

VOTES OF MEMBERS.

56. Subject to any special terms as to voting upon which any new capital may be issued or may for the time being be held on a show of hands every member present in person shall have one vote and upon a poll every member present in person or by proxy shall have one vote for every share held by him. In the case of an equality of votes at any general meeting or poll the chairman shall be entitled to a second or casting vote.

57. Votes may be given either personally or by proxy. The instrument appointing a proxy shall be signed by the appointor or his attorney. No person shall be appointed a proxy who is not a member of the Society and qualified to vote.

58. The instrument appointing a proxy and the power of attorney (if any) under which it is executed shall be deposited at the office not less than forty-eight hours before the time for holding the meeting or adjourned meeting as the case may be at which the person named in such instrument proposes to vote but no instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution except upon a poll demanded at or at an adjournment of a meeting when the meeting was originally held within twelve months of such date.

59. A vote given in accordance with the terms of an instrument by proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or transfer of the share in respect of which the vote is given provided no intimation in writing of the death revocation or transfer shall have been received at the office before the meeting.

60. Every instrument of proxy whether for a specified meeting or otherwise shall as nearly as circumstances will admit be in the form or to the effect following and the signature thereto need not be witnessed.

“ THE LEGAL AND GENERAL ASSURANCE SOCIETY
LIMITED.

“ I

of

in the county of _____ being a member of
The Legal and General Assurance Society Limited
hereby appoint _____ of
or failing him _____
of _____

or failing him
of

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as my proxy to vote for me and on my behalf at the
ordinary general meeting of the Society to be held on the
day of and at any adjournment
thereof.

“ As witness my hand this day of ”

61. No member shall be entitled to be present or vote on any question either personally or by proxy or as proxy for another member at any general meeting or upon a poll to be reckoned in a quorum whilst any call or other sum shall be due and payable to the Society and one month in arrear in respect of any of the shares of such member or of the member for whom he shall claim to vote as proxy.

62. The board may at the cost of the Society issue stamped forms of proxy for use by members with or without inserting therein the names of any of the directors.

VOTING RIGHTS OF INSURED PERSONS.

63.—(1) At any meeting to be held for the purpose of a final declaration of the amount of the profits calculated up to the end of a bonus period to be set apart out of the several assurance funds of the Society every insured person as that expression is hereinafter defined shall subject to the provisions hereinafter contained be entitled to be present and be qualified to vote upon all questions to be decided at such meeting or any poll or adjourned poll which may be then demanded relative to such profits.

(2) Every insured person shall be entitled to one vote for every £1,000 of the amount for which he is expressed to be insured in his policy.

(3) In this regulation the expression “insured person” means the original grantee or grantees of any life or survivorship or endowment policy or policies entitled to participate in profits for any sum or sums amounting to £1,000 or more which at the time of any meeting at which insured persons are qualified to vote shall have been subsisting for one year or upwards and the legal personal representatives of the original grantee or the survivor of the original grantees of any such policy or policies Provided always as follows :—

(a) In every case in which more than one person is so insured by any such policy only one of such persons shall be qualified to vote in respect thereof :

(b) Where there is more than one original grantee the person whose name shall stand first in such policy or in case of his death the person whose name shall stand next in such policy and so on in regular order shall be the person for the time being qualified to vote in respect of such policy :

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- (c) In the case of legal personal representatives the person whose name shall stand first in the grant of administration or in case of his death the person whose name shall stand next in the said grant and so on in regular order shall be the person for the time being qualified to vote in respect of such policy :
- (d) No person qualified to vote in respect of any such policy at any such meeting as aforesaid whose name shall not stand first in the policy or grant as the case may be shall be allowed to vote in respect of such policy unless satisfactory evidence of the death or deaths of the person or persons whose name or names shall stand before his name in such policy or grant shall have been left at the office at least three clear days before the day on which the meeting shall be held :
- (e) No person who shall be entitled to a policy as legal personal representative shall be qualified to vote in respect of such policy at any such meeting as aforesaid unless the probate of the will or the letters of administration of the deceased testator or intestate or an official extract thereof shall have been left at the office at least three clear days before the day on which the meeting shall be held :
- (f) No person shall be qualified to vote in respect of any policy at any such meeting as aforesaid unless he shall produce the policy at the meeting :
- (g) The vote of the person hereinbefore authorised to vote in respect of any such policy as aforesaid shall be good and valid notwithstanding that the same may have been wholly or partially assigned disposed of bequeathed charged or incumbered whether the Society has received notice of such assignment disposition bequest charge or incumbrance or not :
- (h) No person qualified to vote in respect of any policy or policies shall be entitled to vote in that character by proxy :
- (i) Notice to insured persons of any meeting at which assured persons are qualified to vote shall be given by advertisement as hereinafter provided in papers appearing at least seven days before the day fixed for holding the meeting :
- (j) No person qualified to vote in respect of any policy or policies who shall not be a member of the Society shall be present at the proposal discussion or determination of any question at any meeting to which his right of voting shall not extend.

Every person qualified to vote as a member and also in respect of any policy or policies may upon every occasion upon which he may be qualified to vote in respect of any policy or

policies also exercise his right of voting in respect of his shares in the capital of the Society. A.D. 1922.

DIRECTORS.

64. The number of the directors shall not be less than twelve but the directors may act notwithstanding any vacancy in their body.

65. The persons hereinafter named are the present directors (that is to say) Romer Williams D.L. J.P. Charles Plumtre Johnson J.P. Hon. Walter Bernard Louis Barrington Ernest Edward Bird Right Hon. Sir Arthur Moseley Channell Henry Lefevre Farrer Arthur John Finch J.P. John Skirrow Follett J.P. James Gray Sir William Stowell Haldane Douglas McGarel Hogg K.C. Edward Honoratus Lloyd K.C. Dighton Nicolas Pollock John Edward Wase Rider John James Withers C.B.E.

66. The qualification of every director shall be the holding in his own right of not less than 400 shares in the Society.

67. The directors shall be paid out of the funds of the Society by way of remuneration for their services such a sum as after deduction of income tax at the rate current at the time of payment shall leave in the hands of the board a net sum of £6,750 and such further sum if any as may be determined by the members at any ordinary general meeting All such remuneration shall be divided among the directors in such proportions and manner as they may determine.

DISQUALIFICATION OF DIRECTORS.

68. The office of director shall ipso facto be vacated—

- (a) If without the sanction of a general meeting he hold any other office under the Society to which remuneration is attached :
- (b) If he be found a lunatic or become of unsound mind or bankrupt or have a receiving order made against his estate or make any general composition with or assignment for the benefit of his creditors :
- (c) If he cease to hold the due qualification :
- (d) If he send a written resignation to the board and the same be accepted or not being accepted shall not be withdrawn within seven days :
- (e) If without the consent of the directors he is absent from the meeting of the board continuously for six months :
- (f) If at a meeting of the board specially convened for the purpose of considering the same a resolution to the effect that he cease to be a director shall be passed by a majority of not less than three-fourths of the whole number of directors.

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69. No director shall be disqualified by his office from contracting with the Society either as vendor purchaser or otherwise nor shall any contract between a director or directors and the Society or any contract or arrangement entered into by or on behalf of the Society with any company or partnership of or in which any director shall be a member or otherwise interested be avoided nor shall any director so contracting or being such member or so interested be liable to account to the Society for any profit realised by such contract or arrangement by reason only of such director holding his office or of the fiduciary relation thereby established provided that the nature of his interest 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 in no case shall the director interested vote upon any question relating to such transaction and if he does so vote his vote shall not be counted But this prohibition shall not apply to any contract by or on behalf of the Society to give to the directors or any of them any security by way of indemnity or in respect of advances made by them or any of them or to a settlement or set-off of cross-claims or to any contract or dealing with a corporation of which the directors of the Society or any of them may be directors or members and it may at any time or times be suspended or relaxed to any extent by a general meeting A general notice that a director is interested in any transaction entered into or to be entered with him or his firm or that he is a member of any specified firm or company and is to be regarded as interested in all transactions with that firm or company shall be sufficient disclosure under this article 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 any particular transaction with that firm or company.

70. Where a director is directly or indirectly interested in any insurance contracts which shall in the ordinary course of business be effected by such director through the manager or other proper officer of the Society disclosure to him that the director is interested shall be sufficient disclosure for the purposes of this article and such manager or officer may deal with any such contract as regards terms premium rebate commission and otherwise as freely as he could if the director were not interested.

ROTATION OF DIRECTORS.

71. At the ordinary general meeting in every year three of the directors shall retire from office A retiring director shall retain office until the dissolution of the meeting at which his successor is elected.

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72. The directors to retire as aforesaid on each occasion shall unless the directors otherwise agree among themselves be those who have been longest in office and as between two or more who have been in office an equal length of time the director to retire shall in default of agreement between them be determined by lot. The length of time a director has been in office shall be computed from his last election or appointment where he has previously vacated office. A retiring director shall be eligible for re-election.

73. The Society at any general meeting at which any directors retire in manner aforesaid shall subject to any resolution reducing the number of directors fill up the vacated offices by electing a like number of persons to be directors. A person vacating office under Article 68 (c) shall be incapable of being re-appointed a director until he has obtained his qualification.

74. If at any general meeting at which an election of directors ought to take place the places of the retiring directors or some of them are not filled up the retiring directors or such of them as have not had their places filled up shall continue in office until the ordinary meeting in the next year and so on from year to year until their places are filled up unless it shall be determined at such meeting to reduce the number of directors.

75. The Society may by special resolution from time to time reduce the number of directors and may also determine in what rotation such reduced number is to go out of office.

76. The directors may at any time appoint any qualified person as a director to fill a casual vacancy or as an addition to the board and so that no appointment under this article shall have effect unless three-fourths at least of the directors concur therein. The person so appointed shall hold office only until the next general meeting but may be continued in office by election at such meeting.

77. The Society may by extraordinary resolution remove any director before the expiration of his period of office and may by the same resolution or by ordinary resolution appoint another qualified person in his stead. The person so appointed shall hold office during such time only as the director in whose place he is appointed would have held the same if he had not been removed but shall be eligible for re-election.

78. No person not being a retiring director shall unless recommended by the directors for election be eligible for election to the office of director at any general meeting unless he or some other member intending to propose him has at least fourteen days before the meeting left at the office a notice in writing duly signed signifying his candidature for the office or the intention of such member to propose him.

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—

79. If at any meeting where a director or directors should be elected the number of qualified candidates exceed the number of vacancies to be filled the election may with the consent of the chairman be made by ballot in such way as he may direct instead of by resolution or poll.

PROCEEDINGS OF DIRECTORS.

80. The directors may meet together for the dispatch of business adjourn and otherwise regulate their meetings as they think fit and may determine the quorum necessary for the transaction of business. Until otherwise determined five directors shall be a quorum. Questions arising at any meeting shall be decided by a majority of votes. In the case of an equality of votes the director in the chair shall have a second or casting vote. Any one or more of the directors may at any time and the secretary upon the request of any one or more of the directors shall at any time convene a meeting of the directors. A director who is abroad shall not be entitled to notice of a meeting of directors.

81. The directors may if they think fit elect a chairman of their meetings and also a vice-chairman and determine the period for which they are respectively to hold office and if no such officer is elected or if at any meeting he is not present at the time appointed for holding the same the directors present may choose one of their number to be chairman of such meeting.

82. A meeting of the directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities powers and discretions by or under regulations of the Society for the time being vested in or exerciseable by the directors generally.

83. The directors may delegate any of their powers other than the powers to make calls and to issue shares to committees consisting of three or more members of their body as they think fit and may from time to time make regulations as to the powers and procedure of every such committee. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the directors. Subject as aforesaid a committee may determine its own quorum.

84. The meetings and proceedings of any such committee consisting of three or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the directors so far as the same are applicable thereto and are not superseded by any regulations made by the directors under the last preceding clause.

85. All acts done at any meeting of the directors or of a committee of directors or by any person acting as a director

shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such directors or persons acting as aforesaid or that they or any of them were disqualified be as valid as if every such person had been duly appointed and was qualified to be a director. A.D. 1922.

MINUTES.

86. The directors shall cause minutes to be duly entered in books provided for the purpose :—

Of all appointments of officers ;

Of the names of the directors present at each meeting of the directors and of any committee of directors ;

Of all orders made by the directors and committees of directors ;

Of all resolutions and proceedings of general meetings and of meetings of the directors and committees ;

and any such minutes of any meetings of the directors or of any committee or of the Society if purporting to be signed by the chairman of such meeting or by the chairman of the next succeeding meeting shall be receivable as conclusive evidence of the matters stated in such minutes.

POWERS OF DIRECTORS.

87. The business of the Society shall be managed by the directors who may exercise all such powers of the Society as are not by statute or by these articles required to be exercised by the Society in general meeting subject nevertheless to the provisions of the statutes and the Assurance Companies Act 1909 and these presents and to any regulations from time to time made by the Society in general meeting but no regulation made by the Society in general meeting shall invalidate any prior act of the directors which would have been valid if such regulation had not been made.

88. Without prejudice to the general powers conferred by the last preceding article it is hereby expressly declared that the directors shall have and may exercise all or any of the following powers namely Power—

(1) To conduct and carry on for the Society any insurance or other business which the Society may for the time being be empowered to transact or be interested in and to make all such arrangements and do all such acts and things and give all such powers authorities and discretions as they may deem expedient in respect of the same :

(2) To accept or reject proposals for insurance and other contracts as and when they think fit :

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- (3) To grant policies and annuities and to enter into such contracts in such cases and for such considerations and generally on such terms and subject to such conditions as they think fit :
- (4) To fix general rates of premiums for insurance and from time to time to vary such rates and to fix special rates whenever they think it expedient so to do :
- (5) Pending the completion and issue of any policy of insurance or other instrument to agree that the Society shall be bound by the terms on which the same is to be issued and also to make general rules binding upon and regulating the liability of the Society in such cases and from time to time to vary such rules :
- (6) To vary from time to time with the consent of the persons entitled to the benefit thereof any contract of insurance or other contract in any manner and to grant any new or substituted insurance or annuity or enter into any new or substituted contract in lieu of any subsisting insurance or grant of annuity or other contract :
- (7) To waive the breach of any condition or the non-performance of any contract or any term of any contract :
- (8) To revive any policy or other contract that may have become void or voidable on such terms and conditions and in such cases as may be deemed expedient or in lieu of reviving any such policy to grant any new policy or make any other concessions in favour of the persons or any of the persons entitled to the policy which has become void or voidable :
- (9) To accept surrenders of any policy or annuity or part of any policy or annuity upon any such terms or conditions as may seem expedient and in particular in consideration of a money payment or of the issue of a new policy or the grant of a new annuity or of some other contract privilege or benefit :
- (10) To lend or advance money on any policy either with or without additional security and to such extent and on such terms and for such purposes as may seem expedient :
- (11) To effect counter insurances or re-insurances with any other office or company or person with a view to diminishing the Society's risk or liability on any contracts made on its behalf in respect of which it is liable :
- (12) From time to time to make any special concessions to or in favour of or for the benefit of the policy holders of the Society or any class thereof and either gratuitously or otherwise as may seem expedient and subject to the rights of holders of participating policies to grant such bonuses and make such rebates to or in favour of policy holders as may from time to time be deemed

expedient and calculated to promote the business of the Society : A.D. 1922.

- (13) To settle compromise adjust or pay any claim made on a policy or contract or by a policy holder at such time and upon such evidence and upon such terms as to indemnity or otherwise and generally in such manner as they may deem proper and to allow and pay interest at such rate as they may think proper on any sum the payment of which by the Society is suspended or deferred :
- (14) To appoint employ and remove such managers actuaries secretaries assistant secretaries and other officers physicians surgeons bankers brokers solicitors agents accountants clerks servants and persons for permanent temporary or special services as the directors in their absolute discretion may from time to time think fit for the management and carrying on of the business of the Society and to determine their duties and to allow and pay to them such commissions charges salaries wages or other remuneration and to give such gratuities for extraordinary services and to grant such pensions to the staff as the directors in their absolute discretion shall think fit and to require such security for the due and faithful discharge and performance by such persons of the duties of their respective offices as the directors shall think fit :
- (15) To give any officer agent or other person firm or corporation employed by the Society a commission on the general profits of the Society or the profits of any particular business or branch of business or transaction or a share in the general profits of the Society or in part of such general profits and such interest commission or share of profits shall be treated as part of the working expenses of the Society And to pay commissions give bonuses and make allowances to any agents or other persons introducing business to the Society or otherwise promoting the interest thereof notwithstanding that such persons may be members of the Society or directors or other persons standing in a fiduciary relation to the Society :
- (16) To prescribe by whom and under what conditions all policies of insurance contracts receipts agreements leases transfers releases powers of attorney deeds and other documents (except share certificates and except as provided in sub-clause (29) of this article) and all bills of exchange promissory notes acceptances endorsements cheques orders for payment of money and other negotiable instruments shall be signed executed granted or made by or on behalf of the Society and the seal of the Society on any such document as aforesaid shall not unless so prescribed be essential to its validity :

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- (17) To authorise upon such conditions as they think fit the manager or any other officers of the Society to effect insurances and to settle losses :
- (18) From time to time to appoint and remove trustees and to transfer to or place in the name or names or within the legal control of any trustees or trustee so appointed any funds or property of the Society :
- (19) To execute in the name and on behalf of the Society in favour of any director or other person who may incur or be about to incur any personal liability for the benefit of the Society such mortgages of the Society's property (present and future including its uncalled capital for the time being) as they think fit and any such mortgage may contain a power of sale and such other powers covenants and provisions as shall be agreed on :
- (20) If any director be required to go abroad or to act as trustee for debenture-holders or otherwise as trustee for the Society or render any other extraordinary service to pay any expenses incurred by him and grant him such special remuneration for the services rendered as they think proper :
- (21) To purchase or otherwise acquire for the Society any property rights or privileges the acquisition of which is authorised by the memorandum of association including the power to acquire by purchase or amalgamation the business or any branch of the business of any other company or society or persons or person whether life fire marine accident employers' liability fidelity or otherwise on such terms and conditions as they may think fit :
- (22) On any purchase or acquisition under the last preceding sub-clause to pay such compensation as they shall think fit to the directors and officers of or other persons connected with any other such company or society as aforesaid or any of such persons :
- (23) On any purchase to effect any policy or policies either with the Society itself or by an entry or entries in the books of the Society or with any other insurance office to meet any risk incident to the property purchased :
- (24) At their discretion to pay for any property rights privileges or businesses acquired by or services rendered to the Society either wholly or partially in cash or in shares of the Society or in bonds debentures or other securities of the Society :
- (25) 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 and rights of the Society including its uncalled capital for the time being or in such other manner as they may think fit :

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(26) At their discretion to sell lease abandon or otherwise deal with any property rights or privileges to which the Society may be entitled on such terms and conditions as they may think fit :

(27) Subject to the prohibition hereinbefore contained against expending money in the purchase or against lending money upon the security of the Society's shares to invest either temporarily or permanently all or any of the moneys of the Society—

(i) In the purchase of or in underwriting any of the public stocks or funds or Government securities of the United Kingdom or India or any dominion colony or dependency of the United Kingdom or any province or state thereof or any foreign country or state ;

(ii) In the purchase of lands buildings or hereditaments or any interest therein or rights connected therewith whether in the United Kingdom or elsewhere ;

(iii) In the purchase of ground rents head rents chief rents feu duties ground annuals rentcharges or any other kind of rents or income arising out of or charged on lands whether in the United Kingdom or elsewhere ;

(iv) In the purchase of or in underwriting stocks funds shares (other than shares upon which the liability of the shareholder is unlimited) debentures debenture stock mortgages notes investments or securities of any corporation body or company municipal county local commercial or of any other description whatsoever registered in or carrying on business in the United Kingdom or India or any dominion colony or dependency of the United Kingdom or any foreign country or state ;

(v) In the purchase of mortgages charges annuities liens or incumbrances affecting any property on which the Society has power to lend ;

(vi) In the purchase of policies annuities or contracts of any kind issued granted or made by the Society or in respect of which it is under any liability or issued granted or made by any other insurance office ;

(vii) In the purchase of life reversionary or other interests whether absolute contingent or expectant in property of any kind whether determinable or not ;

(viii) In the purchase of any other property or security real or personal movable or immovable and wheresoever situated which the directors may think fit to acquire ;

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(ix) On the security of any property of any of the foregoing descriptions ;

(x) On the personal liability of the borrower fortified by the guarantee covenant or obligation of any person or company whether as sureties or otherwise ;

(xi) On deposit with any bank or joint stock company ;

(xii) On any other security or investment whatsoever (whether of the kinds hereinbefore mentioned or any other kind) which may be authorised by a resolution of the board passed by a majority of four-fifths at least in number of the directors then present ;

(28) Subject as in the last sub-clause mentioned to lend any money of the Society on real or personal or other security in conjunction with any money to be lent by any other persons or person or joint stock or other company or society as or by way of contributory loan and to accept the security for the same in the name or names or under the legal control of any trustees or trustee for the Society either alone or in conjunction with any other persons or person company or society or permit the same to be taken exclusively in the names or name or under the legal control of any persons or person or joint stock or other company or society as the directors shall deem expedient and every person company or society in whose name or under whose legal control any such security shall be taken shall be deemed to be a trustee for the Society within the meaning of these regulations :

(29) From time to time subject to the limit hereinafter mentioned to borrow or raise in any manner and upon any terms any sum or sums of money and for the purpose of securing borrowed money and interest or any other purpose to give or create any mortgage charge lien upon or to pledge the whole or any part of the property present or future of the Society including its uncalled capital for the time being and the Society's undertaking and so that any mortgage or charge may be specific or floating charge only and also for any purpose and for any consideration to create and issue bonds debentures debenture stock or other obligations whether perpetual or redeemable and so that any such obligations or stock and the interest thereon may be secured by any such mortgage charge or pledge as aforesaid Provided that the directors shall not without the sanction of the Society in general meeting borrow any sum of money which will make the amount borrowed by the Society and then outstanding exceed the subscribed capital of the Society but no lender or other person dealing with the Society shall be

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concerned to see or inquire whether this limit is observed
Every mortgage or other charge and every debenture
and the certificates of debenture stock whether charged
on any property or not shall be under the seal of the
Society :

- (30) From time to time to set aside such assets whether representing profits or not as they think proper as a reserve fund to meet contingencies or for equalising or increasing dividends or for the protection of the creditors of the Society and for such other purposes as the directors shall in their absolute discretion think conducive to the interests of the Society and to invest in manner aforesaid the several sums so set aside as they think fit in the name of the Society or of trustees or otherwise and from time to time to deal with and vary such investments and dispose of all or any part thereof for the benefit of the Society and to divide the reserve fund into such special funds as they think fit but so much only of the said reserve fund as represents profits shall be applicable to the payment of dividends :
- (31) From time to time to continue and extend carry on modify abandon and deal with the foreign business of the Society and make all necessary deposits and investments in regard thereto as may seem expedient :
- (32) To enter into any arrangement for sharing profits union of interests joint adventure reciprocal concession or co-operation with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which the Society is authorised to carry on or engage in or which may be conducive to the Society's interests and to invest the funds of the Society in the shares stock or securities of any company and to subsidise or otherwise assist any such company :
- (33) To obtain a charter or other act of recognition from any foreign government in whose dominions any local board or agency may be established in such form and for such purposes as they may deem advisable and be able to procure :
- (34) Subject to the provisions of the Assurance Companies Act 1909 to hypothecate appropriate or set aside any part of the assets or profits of the Society to meet the claims upon or for the benefit in any way of the holders of any class of policies or contracts :
- (35) Subject to the prohibition hereinbefore contained against expending money in the purchase or lending money upon the security of the Society's shares to accept from any member or other person entitled to shares a surrender on such terms and conditions as may be

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- arranged of the whole or any part of his shares as they think fit :
- (36) To make and give receipts releases and other discharges for money payable to the Society and for the claims and demands of the Society :
 - (37) To enter into all such negotiations and contracts and rescind and 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 :
 - (38) To form a "re-insurance fund" to be varied and regulated in such manner as they shall think proper :
 - (39) To pay pensions or make grants of money to any persons who have at any time been in the Society's service and to create maintain and add to any fund for the benefit of any such persons or the wife and children or other dependents of such persons or any of them :
 - (40) To act on behalf of the Society in all matters relating to bankrupts and insolvents and to delegate their powers in this behalf to any person or persons to act in England or elsewhere on behalf of the Society :
 - (41) At the cost of the Society to apply for any Act of Parliament for any purpose :
 - (42) To institute conduct defend compound or abandon any legal proceedings by or against the Society or its officers or otherwise concerning the affairs of the Society against or by any other person whether a member or not and to compound and allow time for payment or satisfaction of any debts due to and of any claims or demands by or against the Society :
 - (43) To refer any claims or demands by or against the Society to arbitration and observe and enforce the awards :
 - (44) From time to time to make vary and repeal byelaws for the regulation of the business of the Society its officers and servants or of the members of the Society or any section thereof.

89. The directors may cause to be inserted in any insurance or annuity or other contract of any kind granted by the Society other than bills of exchange promissory notes or other negotiable instruments a proviso that the funds and property for the time being of the Society shall alone be liable to satisfy and make good any claim arising out of any such contract and that no member shall incur any personal liability in respect thereof.

90. The continuing directors or director may act notwithstanding any vacancies in the board and notwithstanding that

the number of the board may be less than the minimum number herein prescribed provided that if there be at any time less than such minimum number the directors or director shall forthwith either appoint such directors or director as may be necessary to make up the minimum number or convene an extraordinary general meeting of the Society for the purpose of making such appointment. A.D. 1922;

LOCAL MANAGEMENT.

91. The board may from time to time provide for the management and transaction of the affairs of the Society in any specified locality whether at home or abroad in such manner as they think fit and the provisions contained in the three next following articles shall be without prejudice to the general powers conferred by this article.

92. The board may from time to time and at any time establish local boards or agencies for managing any of the affairs of the Society in any such specified locality and may appoint any persons who are not members of the board to be members of such local board or managers or agents and may fix their remuneration by fixed payment share of profits or otherwise. And the board from time to time and at any time may delegate to any persons so appointed any of the powers authorities and discretions for the time being vested in the board other than their power to make calls or to mortgage any assets of the Society but including power to invest and re-invest moneys of the Society in the name of the Society in any manner authorised by these articles. And the board may authorise the members for the time being of any such local board or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the board may think fit and the board may at any time remove any person so appointed and may annul or vary any such delegation. No member of any such local board shall be compelled to have any share qualification unless the board shall in their discretion impose such qualification.

93. The board may at any time and from time to time by power of attorney under the seal appoint any person or persons in any part of the world to be the attorney or attorneys of the Society for such purposes and with such powers authorities and discretions (not exceeding those vested in or exerciseable by the board under these articles) and for such period and subject to such conditions as the board may from time to time think fit and any such appointment may (if the board think fit) be made in favour of the members or any of the members of any local board established as aforesaid or in favour of any company or of the members directors nominees or managers of any company or firm or otherwise in favour of any firm or fluctuating

A.D. 1922. — body of persons whether nominated directly or indirectly by the board and any such power of attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the board may think fit.

94. Any such delegates or attorneys as aforesaid may be authorised by the board to sub-delegate all or any of the powers authorities and discretions for the time being vested in them.

95. The Society may exercise the powers conferred by section 79 of the Companies (Consolidation) Act 1908 and such powers shall accordingly be vested in the board. And the Society may cause to be kept in any colony in which it transacts business a branch register of members resident in such colony and the word "colony" in this article shall have the meaning assigned thereto by section 34 subsection (3) of the said Act and the board may from time to time make such provisions as they may think fit respecting the keeping of any such branch register.

96. The board may comply with the requirements of any local law which in their opinion it shall in the interests of the Society be necessary or expedient to comply with.

THE SEAL.

97.—(a) The seal shall never be used except in pursuance of a resolution of the board.

(b) The seal shall not be affixed to any deed instrument or document of any description except in the presence of at least one director and a principal officer of the Society.

(c) For the purposes aforesaid the manager the secretary the actuary the assistant manager the assistant secretary the assistant actuary the fire and accident managers and assistant managers of the Society are the principal officers of the Society.

(d) The persons in whose presence the seal is affixed shall respectively testify to their signature that it has been so affixed.

CHEQUES &C.

98. All bills notes and negotiable securities belonging to the Society and all sums of cash received by the Society (except where otherwise provided by resolution of the board) shall be paid into one of the bankers of the Society to the credit of the Society as soon as conveniently can be after the receipt thereof and so far as reasonably practicable all receipts in respect of the different classes of business of the Society shall be kept separate and distinct.

DIVIDENDS.

99. The profits of the Society shall subject to the rights of the holders of participating policies and to any amount which

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may be carried to reserve fund as provided by these articles be applicable to the payment of dividends to the members in proportion to the amount called up and paid on the shares held by them respectively.

100. Where capital is paid up in advance of calls upon the footing that the same shall carry interest such capital shall not whilst carrying interest confer a right to participate in profits.

101. The Society in general meeting may declare a dividend which may be the same or smaller than but not larger than the dividend recommended by the board.

102. In ascertaining the profits of the Society or of any class or branch of business of the Society the board may act upon any valuation or estimate of the Society's outstanding risks or obligations whether based upon the experience of the Society or any other company or otherwise arrived at.

103. The board may before recommending any dividend set aside out of the profits of the Society any sum or sums to form maintain or increase any one or more reserve fund or funds for such purpose or purposes as they may think proper and may without placing the same to reserve carry over in the revenue account or otherwise any profits which they may think it inexpedient to divide.

104. No dividend shall be payable except out of the profits or so much reserve fund as represents profits of the Society.

105. The board may from time to time declare and pay to the members such interim dividends as in their judgment the position of the Society justifies.

106. The board may retain any dividends on which the Society has a lien and may apply the same in or towards satisfaction of the debts liabilities or engagements in respect of which the lien exists.

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

108. The board may retain the dividends payable upon shares in respect of which any person is under the transmission clause entitled to become a member or which any person under that clause is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same.

109. No dividend shall except with the consent of a general meeting bear interest as against the Society.

110. Any dividend may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent and shall be at his risk after postage.

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111. Any profits of the Society which could be divided as dividend may with the sanction of a general meeting of the Society be applied in or towards the payment of any amount remaining uncalled on the shares in respect of which it would be paid if distributed as dividend and such application shall to the extent of the money applied extinguish the liability on such shares and be deemed as paid thereon for all purposes.

ACCOUNTS.

112. The board shall cause true accounts to be kept of all sums of money received and expended by the Society and the matters in respect of which such receipts and expenditure take place and of the assets credits and liabilities of the Society. The books of account shall be kept at the office or at such other place or places as the board think fit.

113. The board shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and books of the Society or any of them shall be open to the inspection of the members and no member shall have the right of inspecting any account or book or document of the Society except as conferred by statute or authorised by the board or by a resolution of the Society in general meeting.

114. The board shall during the 30 days immediately preceding the day on which any meeting for the purpose of a final declaration of the amount of the profits calculated up to the end of a bonus period to be set apart out of the several funds of the Society shall be held and also until such amount of profits shall have been approved of and declared at the same or any subsequent meeting upon the requisition in writing of at least ten insured persons qualified to vote at such meeting permit any one or more but not exceeding three of the insured persons qualified to vote as aforesaid to have at the office hours free access to inspect and examine at the office but not elsewhere the account books and documents of the Society and to make extracts therefrom.

115. At the ordinary meeting in every year the board shall lay before the Society a statement of the income and expenditure and a balance sheet containing a summary of the property and liabilities of the Society made up to a date not more than six months before the meeting from the time when the last preceding statement and balance sheet were made.

116. Every such statement shall be accompanied by a report of the board as to the state and condition of the Society and as to the amount if any which they recommend to be paid out of the profits by way of dividend to the members and the amount if any which they propose to carry to the reserve fund and the

statement report and balance sheet shall be signed by the chairman and two or more directors and countersigned by the secretary. A.D. 1922.

117. A printed copy of such balance sheet and report shall be served on the registered holders of shares in the manner in which notices are hereinafter directed to be served at least seven days before the meeting and two copies of each of these documents shall at the same time be forwarded to the secretary of the Share and Loan Department The Stock Exchange London E.C.2.

118. The Society shall duly comply with all the provisions of sections 4 to 8 (inclusive) of the Assurance Companies Act 1909 with respect to the accounts balance sheets abstract and statement therein mentioned.

AUDIT.

119. Once at least in every year the accounts of the Society shall be examined and the correctness of the accounts and balance sheet ascertained by one or more auditor or auditors.

120. The Society at the ordinary meeting shall appoint an auditor or auditors to hold office until the next ordinary meeting and the following provisions shall have effect (that is to say):—

- (i) If an appointment of an auditor or auditors be not made at the ordinary meeting the Board of Trade may on the application of any member of the Society appoint an auditor of the Society for the current year and fix the remuneration to be paid to him by the Society for his services :
- (ii) A director or officer of the Society shall not be capable of being appointed auditor of the Society :
- (iii) The office of an auditor shall ipso facto be vacated—
 - (a) If he be become bankrupt or suspend payment or compound with his creditors ;
 - (b) If he be found a lunatic or become of unsound mind.

121. The board may fill any casual vacancy in the office of auditor but while any such vacancy continues the surviving or continuing auditor or auditors (if any) may act.

122. The remuneration of the auditor or auditors of the Society shall be fixed by the Society in general meeting except that the remuneration of any auditor appointed to fill any vacancy may be fixed by the board.

123.—(1) Every auditor of the Society shall have a right of access at all times to the books and accounts and vouchers of the Society and shall be entitled to require from the board and officers of the Society such information and explanation as may be necessary for the performance of the duties of the auditors.

(2) The auditors shall make a report to the shareholders on the accounts examined by them and on every balance sheet

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laid before the Society in general meeting during their tenure of office and the report shall state :—

- (a) Whether or not they have obtained all the information and explanations they have required; and
- (b) Whether in their opinion the balance sheet referred to in the report is properly drawn up so as to exhibit a true and correct view of the state of the Society's affairs according to the best of their information and the explanations given to them and as shewn by the books of the Society.

(3) The balance sheet shall be signed on behalf of the board by the chairman and two of the directors of the Society and the auditor's report shall be attached to the balance sheet or there shall be inserted at the foot of the balance sheet a reference to the report and the report shall be read before the Society in general meeting and shall be open to inspection by any shareholder who shall be entitled to be furnished with a copy of the balance sheet and auditor's report at a charge of not exceeding sixpence for every 100 words.

(4) A person other than a retiring auditor shall not be capable of being appointed auditor at an annual meeting unless notice of an intention to nominate that person to the office of auditor has been given by a shareholder to the Society not less than fourteen days before the annual general meeting and the Society shall send a copy of any such notice to the retiring auditor and shall give notice thereof to the shareholders either by advertisement or in any other mode allowed by the regulations of the Society not less than seven days before the annual general meeting. Provided that if after a notice of the intention to nominate an auditor has been given an annual general meeting is called for a date fourteen days or less after that notice has been given the notice though not given within the time required by this provision shall be deemed to have been properly given for the purposes thereof and the notice to be sent or given by the Society may instead of being sent or given within the time required by this provision be sent or given at the same time as the notice of the annual general meeting.

124. Every account of the board when audited and approved by the Society in general meeting shall be conclusive except as regards any error discovered therein within six months next after the approval thereof. Wherever such error is discovered within that period the account shall forthwith be corrected and thenceforth shall be conclusive.

NOTICES.

125. A notice may be served by the Society or by the conveners of a meeting under the articles relating to general meetings upon any member either personally or by sending

it through the post in a prepaid letter envelope or wrapper addressed to such member at his registered place of address All notices shall with respect to any registered shares to which persons are jointly entitled be given to whichever of such persons is named first in the register and notice so given shall be sufficient notice to all the holders of such shares. A.D. 1922.

126. Each holder of registered shares whose registered place of address is not in the United Kingdom may from time to time notify in writing to the Society an address in the United Kingdom which shall be deemed his registered place of address within the meaning of the last preceding clause.

127. As regards those members who have no registered address in the United Kingdom a notice posted up in the office shall be deemed to be well served on them at the expiration of 24 hours after it is so posted up.

128. Any notice required to be given by the Society or to any policy holders shall be sufficiently given by advertisement once in two daily newspapers published in London.

129. Any notice sent by post shall be deemed to have been served on the day following that on which the letter envelope or wrapper containing the same is posted and in proving such service it shall be sufficient to prove that the letter envelope or wrapper containing the notice was properly addressed and put into the post office and a certificate in writing signed by any manager secretary or other officer of the Society that the envelope or wrapper containing the notice was so addressed and posted shall be conclusive evidence thereof.

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

131. Any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these presents shall notwithstanding such member be then deceased and whether or not the Society have notice of his decease be deemed to have been duly served in respect of any registered shares held by such member until some other person be registered in his stead as the holder thereof and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his heirs executors or administrators.

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

133. Where a given number of days' notice or notice extending over any other period is required to be given the day of service shall be counted in such number of days or other period.

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INDEMNITY.

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

135. No director or local director trustee or other officer of the Society shall be liable for the acts receipts neglects or defaults of any other director trustee or officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Society through the insufficiency or deficiency of title to any property acquired by order of the board for or on behalf of the Society or for the insufficiency or deficiency of any security or property in or upon which any of the moneys of the Society shall be invested or for any loss or damage arising from the bankruptcy insolvency or tortious act of any person with whom any moneys securities or effects shall be deposited or for any loss or damage occasioned by any error of judgment or oversight or for any other loss damage or misfortune whatever which shall happen in the execution of the duties of his respective office or in relation thereto unless the same happen through his own wilful act or default.

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