

Company Number 00048949

COMPANIES ACT 2006

RECORD OF A RESOLUTION PASSED BY THE MEMBERS OF

NATIONAL MUTUAL LIFE ASSURANCE SOCIETY

(the "Society")

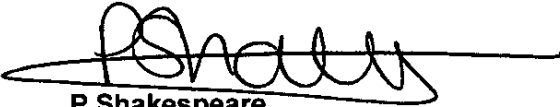
PASSED ON 21 NOVEMBER 2016)

Pursuant to Chapter 1 of Part 13 of the Companies Act 2006, the following resolution was passed as a special resolution by the Society on 21 November 2016

SPECIAL RESOLUTION

That, in accordance with section 21 of the Companies Act 2006, the articles of association contained in the document which is attached to this resolution and marked "Appendix A" for identification are approved and adopted as the Society's articles of association in substitution for, and to the exclusion of, the Society's existing articles of association

Certified as a true copy of the Special Resolution by the Company Secretary on 22nd November 2016


P Shakespeare



APPENDIX A

**THE COMPANIES ACT 1985
UNLIMITED COMPANY**

MEMORANDUM

and

ARTICLES OF ASSOCIATION

**NATIONAL MUTUAL LIFE ASSURANCE SOCIETY
(Incorporated on 25 July 1896)**

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HISTORICAL SUMMARY

1830	The National Life Assurance Society established
1834	The Mutual Life Assurance Society established by Deed of Settlement
1848	The National Life Assurance Society reconstituted by Deed of Settlement
1871	The Mutual Life Assurance Society incorporated as an unlimited company by registration under the Companies Acts, 1862 and 1867
1885	The National Life Assurance Society incorporated as an unlimited company by registration under the Companies Acts, 1862 and 1867
1893	The Mutual Life Assurance Society's Act
1896	The National Mutual Life Assurance Society's Act
1896	The National Mutual Life Assurance Society incorporated as an unlimited company under the Companies Acts, 1862 to 1890 on 25 July
15 July 1925	Special Resolutions altering Memorandum of Association, confirmed on 5 August 1925, and confirmed by an Order of the High Court of Justice, Chancery Division, on 4 December, 1925
6 April 1949	Special Resolutions altering Memorandum and adopting new Articles of Association
2 April 1952	Special Resolution altering Articles of Association
31 March 1954	Special Resolution altering Articles of Association
5 April 1960	Special Resolutions altering Memorandum and Articles of Association
20 December 1960	Special Resolution altering Articles of Association
7 May 1963	Special Resolution altering Memorandum of Association
21 April 1964	Special Resolution altering Memorandum and Articles of Association
6 May 1969	Special Resolutions altering Articles of Association
18 May 1971	Special Resolutions altering Memorandum and adopting new Articles of Association
19 April 1977	Special Resolution altering Articles of Association
19 July 1983	Special Resolution altering Articles of Association
10 May 1989	Special Resolution altering Articles of Association
16 April 1991	Special Resolution altering Articles of Association
20 September 1994	Special Resolution approving transfer of long term business from

St George Assurance Company Limited

21 April 1997	Special Resolutions altering Memorandum and adopting new Articles of Association
1 March 2001	Special Resolutions adopting new Memorandum and Articles of Association
24 June 2013	Special Resolution adopting new Articles of Association

THE COMPANIES ACT 1985

UNLIMITED COMPANY

ALTERED

MEMORANDUM OF ASSOCIATION

OF

NATIONAL MUTUAL LIFE ASSURANCE SOCIETY

(As altered by special resolutions passed on 18 May 1971 and 21 April 1997)

- 1 The name of the Company is the "**National Mutual Life Assurance Society**"
- 2 The registered office of the Society is and will be situate in England
- 3 The objects of the Society are to make assurance for lives to and between and for the benefit of its members upon the principle of mutual assurance, so as to proceed without a fixed or permanent capital, and to make general assurances on lives **and** survivorships and other legal assurances to the public at large, including the members, and to grant and purchase annuities for lives, or on survivorships, or for any definite period, and generally to transact all descriptions of business ordinarily transacted by Life Assurance Companies or known as Life Assurance Business

With power for the Society to carry on business beyond the limits of the United Kingdom, and for that purpose, so far as necessary, to acquire and hold land and securities abroad, and to appoint, remove, and empower local agents abroad

And also with power for the Society by Special Resolution, but not otherwise, to amalgamate with or acquire and take over all or any of the assets, liabilities and business of any insurance company or corporation, whether registered or incorporated within or beyond the limits of the United Kingdom, for such consideration and on such terms as may be agreed, and to continue, fulfil, or renew any contracts or engagements, and satisfy any liabilities of such company or corporation

And also with power to transfer the whole or substantially the whole of the business and undertaking of the Society pursuant to a scheme under Section 49 of, and Part 1 of Schedule 2C to, the Insurance Companies Act 1982 in the form annexed to the Petition to the High Court of Justice dated 10 October 2001, or as amended from time to time (the "Scheme")

- 4 Without prejudice to the generality of the foregoing, it is hereby declared that the objects of the Society include the following objects
 - (a) to engage in and carry on, throughout the world, all kinds and classes of insurance business and in particular, but without prejudice to the generality of the foregoing
 - (i) to undertake and transact all matters and business which may be in any way connected with, or depend on, contingencies,
 - (ii) to create out of the capital or revenue of the Society a special fund or special funds, and to give any class of policyholders, annuitants, or creditors any preferential right over any fund or funds so created, and for those or any other purposes of the Society to place any portion of the

Society's property in the names or under the control of trustees, and to give any class of insured persons a right to participate in the profits of the Society or any fund so created,

- (iii) to reinsure all or any risks undertaken by the Society,
 - (iv) to effect as agents for other persons insurance of every kind and against every and any contingency,
 - (v) to acquire, extinguish, or otherwise deal with any policy, and
 - (vi) to provide advice and supervisory services on all financial and investment matters and to act as investment managers, consultants and agents for any superannuation fund, pension scheme, trust fund, life insurance scheme or any other fund or any other person,
- (b)
- (i) to invest and deal with the moneys of the Society in or upon investments or securities of any nature (whether as principal or agent) and generally to acquire and hold shares, stocks, debentures, debenture stocks, bonds, mortgages, obligations and securities of any kind issued or guaranteed by any company, corporation or undertaking of whatever nature and wherever constituted or carrying on business, and shares, stocks, bonds, obligations and other securities issued or guaranteed by any government, sovereign ruler, commissioners, trust, local authority or other public body, whether in the United Kingdom or elsewhere, and to vary, transpose, dispose of or otherwise deal with, from time to time, any of the Society's investments for the time being as may be considered expedient, and
 - (ii) to co-ordinate the administration, policies, management, supervision, control, research, planning, trading and any and all other activities of subsidiary undertakings (as defined in the Society's Articles of Association) of the Society ("**Associates**"), to provide services of all types to Associates including, without prejudice to the generality of the foregoing, acting as financial advisers and consultants to Associates, and to reorganise, finance, aid and assist Associates, financially or otherwise,
- (c) to carry on the business of merchants and traders generally and to buy, sell, hire, manufacture, repair, let on hire, alter, improve, treat and deal in all apparatus, machines, materials and articles of all kinds,
- (d) to carry on any other business or activity whatsoever, whether trading, manufacturing, investing or otherwise,
- (e) to purchase, take on lease or in exchange, hire or otherwise acquire, hold, deal in and otherwise dispose of all or any estate or interest in or over any lands, buildings, easements, rights, privileges, concessions, patents, patent rights, licences, secret processes, machinery, plant, stock-in-trade and any real or personal property (whether tangible or intangible) of any kind,
- (f) to receive money on deposit or loan from any person,
- (g) to make advances to any person with or without security,
- (h) to guarantee, support or secure, whether by direct obligation or covenant or by mortgaging or charging all or any part of the undertaking, property and assets

(present and future) of the Society or by issuing any security of the Society by way of mortgage, or by any one or more or all of such methods or by any other method, and whether or not the Society receives any advantage therefor and whether or not in furtherance of any of the objects of the Society, the performance of any obligations or commitments and the repayment or payment of the principal amounts of, or the premiums, interest and dividends on, any securities of any person, including (without prejudice to the generality of the foregoing) any Associate,

- (i) to establish and maintain or procure the establishment and maintenance of any incentive or profit sharing schemes or trusts or any non-contributory or contributory pension or superannuation schemes or funds for the benefit of, and to make or give or procure the making or giving of loans, donations, gratuities, pensions, allowances or emoluments or other benefits (whether in money or money's-worth) to, or to trustees on behalf of, any persons who are or were at any time in the employment of the Society, or of any Associate, or who are or were at any time directors or officers of the Society or of any Associate, or who are or were at any time agents of or advisers or consultants to the Society or any Associate or who have been of benefit to the Society or any Associate or who the Society considers have a moral claim on the Society or any Associate, or any persons in whose welfare the Society or any Associate is or has been at any time interested, and the wives, husbands, widows, widowers, families and dependants of any such persons, and to establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Society or of any Associate, or of any such persons as aforesaid, and to make payments for or towards policies of assurance on the lives of any such persons and policies of insurance for the benefit of or in respect of any such persons (including insurance against their negligence or breach of duty to the Society or any Associate) as aforesaid, and to pay, subscribe or guarantee money to or for any charitable or benevolent objects or for any exhibition or for any political, public, general or useful object, and to do any of the above things, either alone or in conjunction with any Associate,
- (j) to enter into any joint venture, partnership or joint-purse arrangement or arrangement for sharing profits, union of interests or co-operation with any person and to subsidise or otherwise assist any person,
- (k) to establish or promote or concur in establishing or promoting any other company and to guarantee the payment of the dividends, interest or capital of any shares, stock or other securities issued by or any other obligations of any such company,
- (l) to purchase or otherwise acquire and undertake or take over by any means all or any part of the business, property, assets, liabilities and transactions of any person,
- (m) to sell, exchange, improve, manage, develop, turn to account, exchange, let on rent, royalty, share of profits or otherwise, grant licences, easements and other rights in or over and in any other manner exploit or deal with or dispose of the undertaking and all or any of the property and assets for the time being of the Society including, without limitation, any such dealing or disposal on terms that are wholly or partly gratuitous or of a non-commercial nature,
- (n) to undertake or enter into, on such terms and conditions as may be thought fit, interest rate and currency swaps, options (including traded options), swap option

contracts, forward exchange contracts, futures contracts, hedging agreements or other financial instruments of any kind on a fixed and/or floating rate basis and in respect of any currency or currencies or basket of currencies (including but not limited to European Currency Units (as the same may from time to time be designated or constituted)) or commodities of any kind and on such basis as the Society thinks fit,

- (o) to make known the businesses or any of them or the products or any of them of the Society or the businesses or products of any other person, in particular by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication in books and periodicals, and by granting prizes, rewards and donations, and by carrying on and conducting prize and competition schemes or any scheme or arrangement of any kind, either alone or in conjunction with any other person, whereby the said businesses or any of them may be promoted or developed, or whereby the said products may be advertised and made known,
- (p) to enter into any arrangement with any government or authority, supreme, municipal, local or otherwise, of any country, and to obtain from any such government or authority all legislation, orders, rights, licences, authorisations, concessions and privileges that may seem requisite,
- (q) to borrow or raise or secure the payment of money for the purposes of or in connection with any of the Society's business or businesses,
- (r) to mortgage and charge the undertaking and all or any of the real and personal property and assets, present or future, and to issue in cash at par or at a premium or discount, or for any other consideration, debentures, mortgage debentures or debenture stock or other similar securities, payable to bearer or otherwise, and either permanent or redeemable or repayable, and collaterally or further to secure any securities of the Society by a trust deed or other assurance,
- (s) to draw, make, accept, endorse, negotiate, discount and execute promissory notes, bills of exchange and other negotiable instruments,
- (t) to pay or otherwise give consideration for any property or rights acquired by the Society in any manner whatsoever and in particular but without limitation in cash or by any securities which the Society has power to issue, or partly in one mode and partly in another,
- (u) to accept payment or other consideration for any property or rights sold or otherwise disposed of or dealt with by the Society in any manner whatsoever and in particular but without limitation in cash, whether by instalments or otherwise, or in fully or partly paid-up shares of any company or corporation, with or without deferred or preferred or guaranteed rights in respect of dividend or repayment of capital or otherwise, or in debentures or mortgage debentures or debenture stock, mortgages or other securities of any company or corporation, or partly in one mode and partly in another, and to hold, dispose of or otherwise deal with any shares, stock or securities so acquired,
- (v) to pay out of the funds of the Society all expenses which the Society may lawfully pay in respect of or incidental to advertising of or raising money for the Society, including brokerage and commissions for obtaining applications for or taking, placing or under-writing debentures or debenture stock, and to apply at the cost of the Society to Parliament for any extension of the Society's objects and powers,

- (w) to transfer the whole or substantially the whole of the business and undertaking of the Society pursuant to the Scheme referred to in paragraph 3 of this Memorandum of Association on such terms as the Society shall think fit and to enter into such arrangements and do all such things ancillary thereto or in connection therewith as the Society shall think fit (including doing all such things as the Board or any duly authorised committee of the Board considers necessary or desirable to give effect to the proposals described in the Circular dated 17 October 2001 to members and policyholders of the Society relating to the said Scheme),
- (x) to do all or any of the above things in any manner and on any terms, and in any part of the world, and either as principals, agents, trustees, contractors or otherwise, and either alone or in conjunction with others, and either by or through agents, sub-contractors, trustees or otherwise, and
- (y) to do all such other things as are, in the opinion of the Society, incidental or conducive to the above objects or any of them

The objects specified in each of the paragraphs of this Article shall not, except where the context expressly so requires, be in any way limited or restricted by the terms of any other paragraph and shall be construed as separate, distinct and independent objects capable of being performed and carried out separately, distinctly and independently of each other

THE COMPANIES ACT 1985
UNLIMITED COMPANY
ARTICLES OF ASSOCIATION
OF
NATIONAL MUTUAL LIFE ASSURANCE SOCIETY
(Adopted by special resolution passed on [])

INTERPRETATION

1 DEFINITIONS AND INTERPRETATION

- 1 1 In these Articles of Association, if not inconsistent with the subject or context, words shall have the following meaning

"**Actuary**" means the actuary for the time being of the Society appointed pursuant to s 19(1) Insurance Companies Act 1982 and Article 71,

"**Articles**" means the Articles of Association of the Society as herein contained or as altered from time to time,

"**Auditors**" means the auditor or auditors for the time being of the Society appointed in accordance with the Statutes,

"**Board**" means the board of Directors for the time being of the Society or the Directors present at a duly convened meeting of Directors at which a quorum is present,

"**clear days**" means, in relation to a period of notice, that period excluding the day when the notice is given in accordance with these Articles and the day in respect of which it is given or on which it is to take effect,

"**connected**" means in relation to a Director, the meaning ascribed in s 346 Companies Act 1985,

"**Corporate Representative**" means an individual authorised by a resolution of the directors or other governing body of a corporation which is a member of the Society to act as its representative at any meeting of the Society,

"**Director**" means a director for the time being of the Society,

"**Executive Director**" means a Director who has been appointed to any executive office within the Society in accordance with the provisions of Article 50,

"**insurance**" means insurance, including assurance, reinsurance and reassurance and anything else treated as insurance business for the purposes of the Insurance Companies Act 1982,

"**member**" means a member of the Society as defined in s 12 National Mutual Life Assurance Society's Act, 1896,

"Non-Executive Director" means a Director other than an Executive Director,

"Office" means the registered office for the time being of the Society,

"policy" means an insurance policy, including anything treated as a policy for the purposes of the Insurance Companies Act 1982,

"policyholder" means the person who for the time being is the legal holder of a policy,

"Register" means the register of members,

"Scheme" means the scheme between the Society and GE Pensions Limited under Section 49 of, and Part 1 of Schedule 2C to, the Insurance Companies Act 1982 in the form annexed to the Petition to the High Court of Justice dated 10 October 2001, or as amended from time to time,

"Seal" means the common seal (if any) of the Society,

"Secretary" means the person for the time being appointed pursuant to Article 71 to perform the functions and duties of the Company Secretary and including any joint, deputy, temporary or assistant secretary,

"Society" means National Mutual Life Assurance Society,

"Society Policy" means any policy issued by the Society before or after the adoption of these Articles or under which the Society is or becomes the insurer or has any liability (otherwise than as insured or reassured) at any time,

"special resolution" means a resolution of the Society (required by the Companies Act 1985 to be designated a special resolution) passed by a majority of not less than three-fourths in number of the members who, being entitled to do so, vote in person or by proxy at a general meeting of the Society of which not less than 21 clear days' notice specifying the intention to propose the resolution as a special resolution has been duly given in accordance with these Articles,

"Statutes" means National Mutual Life Assurance Society's Act, 1896, the Companies Act 1985 and every other Act of Parliament and statutory instrument for the time being in force concerning companies and affecting the Society,

"subsidiary" means a subsidiary as defined in s 736 Companies Act 1985,

"subsidiary undertaking" means a subsidiary undertaking as defined in s258 Companies Act 1985, and

"United Kingdom" means the United Kingdom of Great Britain and Northern Ireland

1 2 The following provisions shall apply to the construction or interpretation of these Articles or any part thereof

(a) any reference to any section or provision of any Act of Parliament shall (if not inconsistent with the subject or context) include every statutory modification, extension, substitution, amendment or re-enactment thereof for the time being in force¹,

¹ The Society does not intend to update this provision

- (b) any reference to a numbered Article shall be a reference to the Article of these Articles bearing the same number and includes reference to such Article as amended from time to time,
- (c) words importing the singular number include the plural and vice versa,
- (d) words importing the masculine gender include the feminine gender,
- (e) words importing persons shall include companies, corporations, trustees, firms and other unincorporated bodies,
- (f) the headings contained in these Articles are included for purposes of reference only and shall not in any way affect or govern the sense or construction thereof or of any part thereof,
- (g) references to writing include references to typewriting, printing, lithography, photography and any other modes of representing or reproducing words in a legible and non-transitory form,
- (h) references to "other" and "otherwise" shall not be construed *eiusdem generis* where a wider construction is possible, and
- (i) references to a committee of the Board are to a committee established in accordance with these Articles, whether or not comprised wholly of Directors

MEMBERS

2 REGISTER OF MEMBERS

The Board shall record in the Register the names of all members and shall remove from the Register all those who are not or who cease to be members

3 SPECIAL PROVISIONS REGARDING NOTICE

- 3 1 If moneys due under any Society Policy are subject to a trust, whether express, implied or constructive, the Society shall not be bound to ensure that such moneys are applied in accordance with that trust. If the Society receives a discharge in respect of such moneys by the person in whom the right to such moneys is legally vested, that discharge shall be a sufficient discharge to the Society from all liability in respect of such moneys, irrespective of any trust to which such moneys may then be subject and whether or not the Society has had notice of any such trust
- 3 2 If the Society receives any notice purporting to be executed by an assignee of a Society Policy or someone to whom a Society Policy or an interest in a Society Policy has devolved by operation of law or an agent or representative of any such person, the Society shall be entitled to rely on that notice notwithstanding that the notice is defective or a forgery, unless it has actual notice to the contrary
- 3 3 The Society shall be entitled to assume for the purposes only of membership that an individual is alive until it receives notice to the contrary

3A EXERCISE OF MEMBERSHIP RIGHTS

- 3A 1 ReAssure Limited is hereby authorised to exercise all and any of the rights of any member from time to time in respect of his membership of the Society (including without limitation any rights to attend and vote at meetings and to appoint proxies and/or corporate representatives to attend meetings and vote on his behalf) ReAssure Limited may exercise such rights in such manner as it, in its absolute discretion, considers to be necessary or desirable
- 3A 2 No member from time to time shall exercise any of his rights in respect of his membership of the Society without the prior written approval of ReAssure Limited

GENERAL MEETINGS

4 ANNUAL GENERAL MEETINGS

The Society shall, in each year, hold a general meeting as its annual general meeting in addition to any other meetings in that year and shall specify the meeting as such in the notice calling it Not more than 15 months shall elapse between the date of one annual general meeting of the Society and that of the next The annual general meeting shall be held at such time and place as the Board shall determine

5 EXTRAORDINARY GENERAL MEETINGS

- 5 1 All general meetings, other than annual general meetings, shall be called extraordinary general meetings
- 5 2 Extraordinary general meetings shall be held from time to time and at such places and times as the Board may think fit In addition, an extraordinary general meeting shall be convened by the Board on such requisition or, in default, may be convened by such requisitionists as are provided in each case by the Statutes For all purposes of these Articles a requisition of 50 or more members shall be deemed, if otherwise complying with the requirements of s 368 Companies Act 1985, to be a members' requisition as defined in that section

6 LENGTH AND METHOD OF NOTICE

An annual general meeting and a meeting for the passing of a special resolution shall be called by at least 21 clear days' notice, and any other meeting of the Society shall be called by at least 14 clear days' notice The notice shall specify the place, the day and the hour of the meeting and the general nature of the business to be transacted and, in the case of the annual general meeting, shall specify the meeting as such Notice of all general meetings shall be given by advertisement in accordance with Article 84 and no member or other person (except the Auditors) shall be entitled to receive any other notice of a general meeting Notice of every general meeting shall be given to the Auditors in any manner authorised by Article 85 1

7 NOTICE TO STATE RIGHT OF MEMBER TO APPOINT A PROXY

In every notice calling a meeting of the Society, there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and, on a poll, vote instead of him and that a proxy need not also be a member

8 SPECIAL RESOLUTIONS

Where a general meeting is to be called to consider a special resolution, there shall be included in the notice of the meeting either the actual resolution proposed to be passed, or sufficient explanation to show the effect of the proposed resolution and a statement that the actual resolution proposed can be inspected during normal business hours at the Office and such offices of the Society in the United Kingdom as may be designated in the notice

9 ACCIDENTAL OMISSION OR NON-RECEIPT OF NOTICE

The accidental omission to give notice to, or the non-receipt of notice by, the Auditors or any other person entitled to receive notice in accordance with these Articles shall not invalidate the proceedings at any general meeting

10 BUSINESS

Any matter may be considered as part of the business of the annual general meeting, whether or not the same arises out of the routine business of such meeting, provided that notice thereof has been given in accordance with these Articles. An extraordinary general meeting shall not proceed to any business other than the business for which such meeting shall have been called

PROCEEDINGS AT GENERAL MEETINGS

11 QUORUM: ATTENDANCE AND REGULATION OF MEETINGS

11.1 No business shall be transacted at any general meeting unless a quorum of members is present when the meeting proceeds to business. One individual present, who is a member or a Corporate Representative of a corporation which is a member, shall be a quorum for all purposes

11.2 The chairman of the meeting shall regulate the proceedings at the meeting and, in particular, shall have an absolute discretion as to permitting or refusing to permit any person who is not a member to be present at and take part in the proceedings of the meeting, otherwise than by voting

11.3 A general meeting may, if the Board or the chairman of the meeting so decides, be held simultaneously in more than one room, building or other location specifically approved for such purpose by the Board, provided that all those present (in whichever location) can at all times hear and participate fully in the proceedings

12 ADJOURNMENT OR DISSOLUTION FOR LACK OF QUORUM

If within 30 minutes from the time appointed for any general meeting a quorum is not present, or if during a meeting a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such time and place as the Board may determine, and, if at such adjourned meeting a quorum (as prescribed by Article 11) is not present within 30 minutes of the time appointed for holding the meeting, the members present shall be a quorum

13 CHAIRMAN

13 1 The chairman of the Board shall preside as chairman at every general meeting of the Society, save that

- (a) if there is no such chairman, or if he has given advance notice to the Secretary that he will be absent from the meeting, or if at any meeting he is not present within ten minutes of the time appointed for holding the same or is unwilling to act as chairman, the deputy chairman (if any), if present and willing to act, shall preside as chairman,
- (b) if neither the chairman nor the deputy chairman is present within ten minutes of the time appointed for holding the meeting, or if neither of them is willing to act as chairman, the Directors present shall choose one of their number to act, if willing to act, or
- (c) if no Director is present or if each of the Directors present declines to take the chair, the members present and entitled to vote shall choose one of themselves to be chairman of the meeting

13 2 The appointment of a chairman of a meeting shall not be treated as part of the business of that meeting

14 ADJOURNMENT

14 1 The chairman of the meeting shall adjourn a meeting at which a quorum is present to another time and place or to such time and place as may subsequently be determined by the Board if requested to do so by such meeting. The chairman of the meeting may in addition so adjourn such meeting if either

- (a) he has the consent of such meeting, or
- (b) in his opinion, it is not practicable to obtain consent under paragraph (a) above but it appears to him necessary in order to facilitate the business of the meeting

14 2 No business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for 30 days or more, or to such time and place as may subsequently be determined by the Board, at least 14 clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Such notice shall be given by advertisement in accordance with Article 84. Otherwise it shall not be necessary to give notice of an adjournment.

15 AMENDMENTS TO RESOLUTIONS

An amendment may be made to a resolution provided that the alteration is not so fundamental as to destroy the intent of the original resolution. If an amendment is proposed to any resolution under consideration but is in good faith ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in the ruling. In the case of a resolution duly proposed as a special resolution, no amendment thereto (other than a clerical amendment to correct a manifest error) may in any event be considered or voted upon.

16 MANNER IN WHICH RESOLUTION DECIDED, DEMAND FOR A POLL; CHAIRMAN'S DECLARATION ON A RESULT OF A SHOW OF HANDS

At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless before or upon the declaration of the result of the show of hands a poll is demanded by the chairman of the meeting or at least one member entitled to vote at the meeting. Unless a poll is so demanded, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously or by a particular majority, or lost or not carried by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of the Society, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. No poll shall be demanded on the election of a chairman of a meeting or on any question of adjournment.

17 PROXY EMPOWERED TO DEMAND A POLL

The instrument appointing a proxy to vote at a meeting shall be deemed also to confer authority to demand or join in demanding a poll (and for the purposes of the last preceding Article a demand for a poll by a person as proxy for, or Corporate Representative of, a member shall be the same as a demand by that member).

18 OBJECTIONS TO THE QUALIFICATION OF A VOTER OR TO VOTES AND ERRORS IN COUNTING VOTES ETC

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

19 MANNER OF AND TIME AND PLACE FOR TAKING A POLL

Except as permitted in this Article 19, if a poll is duly demanded, it shall be taken in such manner (including the use of ballot or voting papers) and at such place and at such time as the chairman of the meeting may direct. The chairman of the meeting may (and, if so directed by the meeting, shall), in the event of a poll, appoint scrutineers (who need not be members) and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll. A poll validly demanded on any question shall be taken either forthwith or at such later time and place as the chairman of the meeting directs, not being more than 30 days after the poll is demanded. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

20 NOTICE OF A POLL

No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting in respect of which it is demanded. In any other case, at least 7 clear days' notice shall be given specifying the time and place at which the poll is to be taken. Such notice shall be given by advertisement in accordance with Article 84.

21 CONTINUANCE OF OTHER BUSINESS

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

22 DEMAND FOR A POLL MAY BE WITHDRAWN

22 1 A demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman of the meeting If a demand for a poll is so withdrawn

- (a) before the result of a show of hands is declared, the meeting shall continue as if the demand had not been made, or
- (b) after a result of a show of hands is declared, the demand shall not be taken to have invalidated the result of that show of hands,

but, if a demand is withdrawn, the chairman of the meeting or other members so entitled may themselves demand a poll

23 CHAIRMAN'S CASTING VOTE

In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote in addition to any other vote to which he may be entitled as a member or on behalf of any other member

24 DIRECTORS ENTITLED TO ATTEND AND SPEAK AT GENERAL MEETINGS

Each Director shall be entitled to attend and speak at any general meeting of the Society

VOTES OF MEMBERS

25 VOTING RIGHTS

25 1 At any meeting of the Society

- (a) each member who (being an individual) is present in person or (being a corporation) is present by a Corporate Representative shall have one vote on a show of hands, and
- (b) each member who (being an individual) is present in person or (being a corporation) is present by a Corporate Representative or (in either case) is present by proxy shall have one vote on a poll

25 2 For the avoidance of doubt, a member holding more than one Society Policy shall not have more than one vote, whether on a show of hands or on a poll

25 3 For the avoidance of doubt, but subject to Article 25 4, if more than one person is at any time a member in respect of any one Society Policy, each such person shall be entitled to vote at a meeting of the Society in respect of that policy

25 4 If more than one person is at any time a member in respect of any one Society Policy, and such persons hold the benefit of that policy as trustees or as the members of a partnership or unincorporated association, only one such person shall be entitled to vote at a general meeting in respect of that policy, and the vote of the senior of them who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the others For this purpose, all the members in respect of any Society Policy may jointly nominate one of their number to be the senior for this purpose If no person is

so nominated seniority shall be determined by the order in which the names stand on the policy

25 5 If at any time the Society has no notice of the name of any surviving member in respect of a Society Policy, but that policy is still in force, no person shall be entitled to vote at a meeting of the Society in respect of that policy unless or until the name (or, subject to this Article, the names) of the surviving member or members has been notified to the Society

25 6 If any question arises as to which (if any) joint member or members in respect of any Society Policy is entitled to vote in respect of that policy, or is the senior for the purposes of this Article, the decision of the Board on such question shall be conclusive for all purposes of these Articles

26 MEMBER OF UNSOUND MIND

26 1 A member who is a patient for any purpose of any statute relating to mental health (or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs) may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis or other person in the nature of a committee, receiver or curator bonis appointed by such court

26 2 Such committee, receiver, curator bonis or other person may on a poll vote by proxy

27 PROXY

Any individual (whether a member of the Society or not) may be appointed to act as a proxy. A proxy is not entitled to speak at a meeting of the Society except to demand or join in demanding a poll

28 EXECUTION OF A FORM OF PROXY

The instrument appointing a proxy shall be in writing under the hand of the appointor or his agent duly authorised or, if the appointor is a corporation, either under its common seal or under the hand of an officer or agent so authorised. The Board may, but shall not be bound to, require evidence of the authority of any such officer or agent

29 FORM OF PROXY

29 1 An instrument of proxy shall be in writing executed by or on behalf of the appointor and shall be in any usual form (but incorporating reference to the policy number of at least one of the policies by virtue of which the member is entitled to vote at the meeting) or in such other form as the Board may approve

29 2 The Board may, at the expense of the Society, send instruments of proxy to members by post or otherwise (with or without provision for their return pre-paid) for use at any general meeting, either in blank or nominating in the alternative the chairman of the meeting or any other individual. The accidental omission or the inability to send such an instrument or give such an invitation to, or the non-receipt thereof by, any member entitled to attend and vote at a meeting shall not invalidate the proceedings of that meeting

30 DEPOSIT AND VALIDITY OF PROXY

30 1 The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is executed, or a copy of such power or authority certified notarially or in some other way approved by the Board, shall be

- (a) deposited at the Office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in the instrument of proxy issued by the Society in relation to that meeting not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or
- (b) in the case of a poll taken more than 48 hours after it was demanded, be deposited as aforesaid after the poll has been demanded but not less than 24 hours before the time appointed for taking the poll, or
- (c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting to the chairman of the meeting or to the Secretary or to any Director,

and, in default, the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within 12 months from the date named in it as the date of its execution.

31 VALIDITY OF VOTE GIVEN BY PROXY

A vote given or a poll demanded by a person duly appointed as a proxy or by a Corporate Representative of a corporation in accordance (in either case) with the terms of his appointment shall be valid notwithstanding the death or insanity of the principal or the revocation of the instrument of proxy, or of the authority under which the instrument of proxy was executed or the Corporate Representative was duly appointed, provided that no intimation in writing of such death, insanity or revocation has been received by the Society at the Office at least 48 hours prior to the commencement of the meeting or adjourned meeting at which the instrument of proxy is used (or, in the case of a poll taken more than 48 hours after it was demanded, 24 hours prior to the time appointed for the taking of the poll).

CORPORATIONS ACTING BY REPRESENTATIVES

32 A CORPORATE MEMBER MAY APPOINT A REPRESENTATIVE

Any corporation which is a member of the Society may, by resolution of its directors or other governing body, authorise such individual as it thinks fit to act as its Corporate Representative at any meeting of the Society, and the individual so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Society personally present at such meeting.

DIRECTORS

33 NUMBER OF DIRECTORS

Unless and until otherwise determined by the Society by special resolution, the number of Directors shall not be less than two nor more than twelve

34 QUALIFICATION OF DIRECTORS

No person shall be eligible to be appointed as a Director if he has attained the age of 70 years or if (unless the Board otherwise agrees) he holds any office whatever with any company carrying on insurance business (as defined in the Insurance Companies Act 1982), other than a company limited by shares in which the Society has a financial interest representing not less than one tenth of the total issued share capital of such company for the time being

35 REMUNERATION OF DIRECTORS

35 1 Each of the Directors shall be remunerated for his services at such rate as may be fixed from time to time by the Board and approved by the Society in general meeting

35 2 The Directors shall in addition be entitled to remuneration by way of fees for their services as Directors in such further sums (if any) as the Board may determine, but not exceeding in aggregate such amount as may be sanctioned by resolution of the Society, such remuneration to be divided among the Directors as the Board may, by resolution, determine or, in default of agreement, equally

35 3 Such remuneration shall be deemed to accrue from time to time Any remuneration payable to any Director pursuant to this Article may, if the Director concerned so requires and if the Board so agrees, consist in whole or in part of payments by way of pension contributions or premiums therefor, whether pursuant to a pension scheme or otherwise Such remuneration shall be distinct from and additional to any remuneration or other benefits which may be paid or provided to any Director pursuant to any other provision of these Articles

36 REMUNERATION OF NON-EXECUTIVE DIRECTORS FOR SPECIAL OR ADDITIONAL SERVICES

A Non-Executive Director who sits on any committee of the Board, or acts as a director of any subsidiary undertaking of the Society, or discharges any other special duty or function, or otherwise performs services any of which, in the opinion of the Board, are outside the scope of his ordinary duties as a Director, shall receive such additional remuneration (whether by way of salary, commission or participation in profits (other than by conferring or enhancing benefits under any Society Policy) or otherwise) as the Board may determine

37 EXPENSES

In addition to such remuneration as aforesaid, any Director may be paid such reasonable travelling, hotel and other expenses as he may properly incur in connection with the discharge of his duties, including but not limited to expenses in connection with attending or returning from meetings of the Board or committees of the Board or general meetings

POWERS AND DUTIES OF THE BOARD

38 BOARD TO MANAGE THE BUSINESS OF THE SOCIETY

The business of the Society shall be managed by the Board which, subject to the provisions of the Statutes and these Articles and to any directions given by the Society by special resolution, may exercise all the powers of the Society. No such direction and no alteration of these Articles shall invalidate any prior act of the Board which would have been valid if that direction or alteration had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article and a meeting of the Directors at which a quorum is present may exercise all the powers exercisable by the Board.

38A POWER TO TRANSFER BUSINESS OF THE SOCIETY

The Board may take such steps as it considers necessary or desirable to transfer the whole or substantially the whole of the business and undertaking of the Society to ReAssure Limited pursuant to the Scheme and may agree to or make such additions, deletions or modifications to the Scheme, and do all such acts and things on behalf of the Society as it may consider necessary or desirable for the purpose of securing an order of the High Court of Justice sanctioning the Scheme and of carrying the same and the proposals described in the Circular dated 17 October 2001 to members and policyholders of the Society into effect.

39 APPOINTMENT OF ATTORNEYS AND AGENTS

The Board may from time to time and at any time appoint, whether in the United Kingdom or elsewhere, any person, whether nominated directly or indirectly by the Board, to be the attorney or agent of the Board or the Society for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as it may think fit and any such appointment may contain such provisions for the protection and convenience of persons dealing with any such attorney or agent as the Board may think fit and may also authorise any such attorney or agent to delegate all or any of the powers, authorities or discretions vested in him.

INTERESTS OF DIRECTORS

40 OTHER OFFICE OR PLACE OF PROFIT UNDER THE SOCIETY: POWER OF A DIRECTOR TO ACT IN A PROFESSIONAL CAPACITY

Save as provided below, a Director may hold any other office or place of profit under the Society in conjunction with his office of Director (other than the office of Auditor) on such terms as to tenure of office, remuneration or otherwise as the Board may determine, and he or any firm or company in which he is interested may act in a professional capacity for the Society and he or such firm or company shall be entitled to remuneration (by way of salary, commission, fee, participation in profits, pension, superannuation or otherwise) for such services as if he were not a Director and such remuneration shall be charged as part of the Society's ordinary working expenses.

41 DIRECTOR MAY CONTRACT WITH THE SOCIETY. DISCLOSURE OF INTEREST

41 1 Subject as provided in the Statutes, and provided that he has disclosed to the Board the nature and extent of any material interest of his, a Director

- (a) may, notwithstanding his office, be a party to, or otherwise interested in, any transaction or arrangement with the Society or in which the Society is otherwise interested,
- (b) may, notwithstanding his office, be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by or promoting the Society or in which the Society is otherwise interested, and
- (c) shall not, by reason of his office, be accountable to the Society for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate,

and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit

41 2 For the purposes of this Article, the nature and extent of any such material interest shall be declared by the Director

- (a) at the meeting of the Board at which the question of entering into that transaction or arrangement is first taken into consideration, or
- (b) if the Director was not at the date of that meeting interested in the proposed transaction or arrangement, at the next meeting of the Board after he became so interested, or
- (c) if that transaction or arrangement or proposed transaction or arrangement is entered into or to be entered into not by the Society but by a company in which the Society is interested as to one per cent or more of the equity share capital of that company,

at the next meeting of the Board after the Director became aware of his interest or the Society's interest in such contract, transaction or arrangement

41 3 For the purposes of these Articles, no interest in any policy in respect of which the Society or any of its subsidiary undertakings is the insurer or in any unit of any unit trust managed by the Society or any of its subsidiary undertakings shall be regarded as a material interest and an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his

42 RESTRICTION ON VOTING, QUORUM, MATTERS UPON WHICH A DIRECTOR MAY VOTE

42 1 Save as herein provided, a Director shall not, at any meeting of the Board or committee of the Board, vote in respect of any transaction or arrangement (whether or not constituting a contract) or any proposal whatsoever in which he has any interest (whether direct or indirect or through persons connected with him) or if he has a duty which conflicts or may conflict with the interests of the Society, and if he does so his vote shall not be counted, nor shall he be counted in the quorum present upon a motion in respect of any such contract, transaction, arrangement or proposal Subject to his complying with the

provisions of these Articles and of the Statutes with respect to disclosure of his interest, these prohibitions shall not apply to

- (a) any transaction or arrangement by a Director in relation to debentures or other securities of the Society or any of its subsidiary undertakings, or
- (b) any transaction, arrangement or proposal for giving to any Director any security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of the Society, or any of its subsidiary undertakings or for giving any security or indemnity to any other person for any obligation of the Society in which that Director himself has assumed personal liability in whole or in part whether under a guarantee or indemnity, or by providing or agreeing to provide security or otherwise, or
- (c) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefit scheme under which a Director may benefit, or
- (d) any proposal concerning the purchase or maintenance of insurance cover for the Directors in accordance with the provisions of these Articles, or
- (e) any arrangement for the benefit of employees of the Society or of any of its subsidiary undertakings under which the Director benefits in a similar manner to such employees and which does not afford to any Director as such any privilege or advantage not generally afforded to the employees to whom such arrangement relates, or
- (f) any transaction or arrangement by a Director with any other company in which he is interested, directly or indirectly, provided that he is not the holder of or beneficially interested in one per cent or more of the equity share capital (as defined in s 744 Companies Act 1985) of that company (or of any other company through which his interest is derived) or not entitled to exercise one per cent or more of the voting rights available to members of the relevant company. For the purposes of this sub-paragraph, there shall be disregarded any shares held by a Director as bare or custodian trustee and in which he has no beneficial interest and any shares comprised in any authorised unit trust scheme in which the director is interested only as a unitholder

42 2 For the purposes of this Article, an interest of any person who is connected with a Director shall be taken to be the interest of that Director

43 NOTICE BY A DIRECTOR OF HIS INTEREST

43 1 Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Society or any company in which the Society is interested, such proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment

43 2 If any question arises at any meeting as to a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred during the meeting to the chairman of the meeting (or, if the Director concerned is the chairman, to the other Directors at the

meeting) and his ruling in relation to any Director other than himself (or, as the case may be, the ruling of the majority of the other Directors in relation to the chairman) shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fairly disclosed

43 3 A general notice in writing given to the Board by any Director to the effect that

- (a) he is a member of a specified company or firm and is to be regarded as interested in any contract, transaction or arrangement which may, after the date of the notice, be made with that company or firm, or
- (b) he is to be regarded as interested in any contract, transaction or arrangement which may after the date of the notice be made with a specified person who is connected with him, or
- (c) he is to be regarded as having an interest of the nature and extent specified in the notice in any contract, transaction or arrangement in which a specified person or class of persons is interested,

shall (if such Director gives the same at a meeting of the Board or takes reasonable steps to secure that the same is brought up and read at the next meeting of the Board after it is given) be deemed to be a sufficient declaration of interest in relation to any such contract, transaction or arrangement

43 4 Any interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his for the purposes of these Articles

44 **DISAPPLICATION OF ARTICLES 41 AND 42.1**

The provisions of Articles 41 and 42 1 may at any time be suspended or relaxed, to any extent permitted by law, and either generally or in respect of any particular contract, arrangement or transaction, and any transaction not duly authorised by reason of contravention of either of those Articles may be ratified, to the extent permitted by law, by the Society by ordinary resolution in general meeting

45 **SOCIETY NOT TO MAKE LOANS, QUASI-LOANS OR ENTER INTO CREDIT TRANSACTIONS WITH DIRECTORS OR CONNECTED PERSONS**

45 1 Save as permitted by the Statutes, the Board shall not

- (a) make a loan or a quasi-loan to or enter into a credit transaction as a creditor for a Director of the Society or any person connected with such a Director, or
- (b) enter into any guarantee or provide security in connection with a loan or quasi-loan or credit transaction made by any person to or for such a Director or any person connected with such a Director, or
- (c) take part in any arrangement whereby another person enters into such a transaction in return for a benefit from the Society or any subsidiary undertaking of the Society, or
- (d) arrange for the assignment to it of any rights, obligations or liabilities of any such loan or quasi-loan to such a Director or persons connected with such a Director

- 45 2 For the purposes of this Article the expressions "**quasi-loan**" and "**credit transaction**" shall have the meanings ascribed to them in ss331(3) and 331(7) respectively of the Companies Act 1985

46 **DIRECTOR'S PLACES OF PROFIT IN OTHER COMPANIES**

Any Director may continue to be or become a director (executive or non-executive), managing director, manager or other officer, or employee or member of, or holder of any place of profit under any other company, and no such Director shall be accountable for any remuneration or other benefits received by him as such

47 **EXERCISE OF VOTING RIGHTS IN OTHER COMPANIES**

- 47 1 The Board may exercise the voting power conferred by the shares of any other company held or owned by the Society in such manner in all respects as it thinks fit (including the exercise thereof in favour of any resolution appointing members of the Board or any of them to be directors, managing directors, executive directors, managers or other officers or employees of, or holders of any places of profit under, such company, and including voting or providing for the payment of remuneration to the directors, managing directors, executive directors, managers or other officers or employees of such company)

- 47 2 Subject to Articles 41, 42 and 43, any Director of the Society may vote in favour of the exercise of such voting rights in such manner, notwithstanding that he may be, or be about to be, appointed or become a director, managing director, executive director, manager or other officer or employee or member of, or the holder of any place of profit under, such other company, and is or may become interested in the exercise of such voting rights in such manner

48 **PENSIONS AND OTHER BENEFITS**

The Board may establish, maintain and subsidise non-contributory or contributory pension, insurance, death or other benefit schemes and funds and grant pensions, annuities, gratuities, donations, allowances or bonuses or any other benefits to or in respect of, any persons who are or were Directors, officers or others in the employment of the Society or of any subsidiary undertaking of the Society, and the relations, dependants and personal representatives of any such persons

VACATION OF OFFICE OF DIRECTOR

49 **VACATION OF OFFICE**

- 49 1 The office of a Director shall be vacated in any of the following events, namely

- (a) if he ceases to be a Director by virtue of any provision of the Statutes or he becomes prohibited otherwise by law from being a Director, or
- (b) if he becomes bankrupt has a receiving order made against him or makes any arrangement or composition with his creditors generally, or
- (c) if he is, or may be, suffering from mental disorder and either
 - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application

for admission under the Mental Health (Scotland) Act 1984 or, in any other jurisdiction, in pursuance of an application or otherwise under similar legislation, or

- (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of any person to exercise powers with respect to his property or affairs, or
- (d) if he resigns his office by notice in writing to the Society, or
- (e) if, in the case of an Executive Director or a Director who holds any executive office with any subsidiary undertaking, his appointment as such is terminated or expires and the Board resolves that his office be vacated, or
- (f) if, without showing good cause, he absents himself from all meetings of the Board during 13 successive weeks in any year or during a total of 26 weeks in any year, or
- (g) if he is required to resign by a resolution passed, or a notice signed, by not less than three-fourths of the Directors for the time being and he fails to do so within 14 days of the date on which such resolution was passed or on which such notice was served on him, or
- (h) if it comes to the attention of the Board that he holds any office whatever with any company carrying on insurance business (as defined in the Insurance Companies Act 1982) other than a company limited by shares in which the Society has a financial interest representing not less than one tenth of the total issued share capital of such company for the time being, unless the Board has previously agreed otherwise in accordance with Article 34

EXECUTIVE DIRECTORS

50 APPOINTMENT OF EXECUTIVE DIRECTORS

The Board may from time to time appoint any one or more of the Directors to any executive office (including that of Managing Director) or employment under the Society Subject to the Statutes such appointment may be for such period and on such terms (as to remuneration and otherwise) as the Society thinks fit and, subject to the provisions of any contract between the Director and the Society, the Board may revoke such executive appointment or vary the terms thereof

51 REMUNERATION OF EXECUTIVE DIRECTORS FOR SPECIAL OR ADDITIONAL SERVICES

An Executive Director shall receive such additional remuneration (whether by way of salary, commission or participation in profits or otherwise) as the Board may determine Any remuneration payable to any Executive Director pursuant to this Article may, if the Director concerned so requires and if the board so agrees, consist in whole or in part of payments by way of pension contributions or premiums therefor, whether pursuant to a pension scheme or otherwise

ROTATION AND REMOVAL OF DIRECTORS

52 RETIRING DIRECTOR TO HOLD OFFICE UNTIL DISSOLUTION OF MEETING

A Director retiring at a meeting shall retain office until the dissolution of that meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost (in which case his retirement shall take place upon the determination of the resolution) A retiring Director who is re-elected or deemed to have been re-elected shall continue in office without break

53 DIRECTORS WHO ARE TO RETIRE BY ROTATION

53 1 Subject to the provisions of the Statutes and of these Articles, the Directors to retire from office at the annual general meeting in any year shall be determined as follows

- (a) first, any Director who has attained the age of 70 on the date of such meeting,
- (b) secondly, any Director who wishes to retire and not offer himself for re-election, and
- (c) thirdly, those of the other Directors who have been longest in office since their last appointment and, as between persons who became or were last reappointed Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot

53 2 A retiring Director other than a Director who has attained the age of 70 shall be eligible for reappointment

53 3 The Directors to retire on any occasion (both as to number and identity) shall be determined by the composition of the Board at the date of the notice convening the annual general meeting, and no Director shall be required to retire or be relieved from retiring by reason only of any change in the number or identity of the Directors after the date of such notice but before the close of the annual general meeting

53 4 A Director appointed to the office of Managing Director shall not, while holding that office, be subject to retirement by rotation

54 WHEN A RETIRING DIRECTOR IS DEEMED RE-APPOINTED

54 1 At the meeting at which a Director retires under any provision of these Articles, the Society may by ordinary resolution fill the vacated office by appointing the retiring Director or some other person thereto, and in default the retiring Director, if willing to act, shall be deemed to have been reappointed, except in any of the following cases

- (a) where he has attained the age of 70,
- (b) where at such meeting it is expressly resolved not to fill up such office or a resolution for the re-election of such Director is put to the meeting and lost, or
- (c) where the default is due to the moving of a resolution in contravention of Article 55

55 EACH APPOINTMENT TO BE VOTED ON SEPARATELY

No single resolution shall be proposed at a meeting of the Society for the appointment of two or more persons as Directors unless a resolution approving the proposal of such a single resolution has first been passed by that meeting without any vote being cast against it. For the purposes of this Article, a resolution approving a person's appointment or nominating a person for appointment shall be treated as a resolution for his appointment.

56 NOTICE REQUIRED OF AN INTENTION TO PROPOSE A NEW DIRECTOR

No person other than a Director retiring at the meeting shall, unless recommended by the Board for appointment, be eligible for appointment to the office of Director at any general meeting unless, not less than 60 clear days before the day appointed for the meeting, there has been given to the Society at the Office notice in writing by a member (not including the person proposed) of his intention to propose such person for appointment. Such notice shall state the particulars which would, if such person were appointed, be required to be included in the Society's register of Directors and also notice in writing signed by such person of his willingness to be appointed, and shall not be valid if such notice of willingness to be appointed is withdrawn before the appointment takes place.

57 APPOINTMENT OF DIRECTOR TO FILL A CASUAL VACANCY OR AS AN ADDITIONAL DIRECTOR

The Board shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an additional Director, but so that the total number of Directors shall not at any time exceed the maximum number referred to or fixed in accordance with Article 33. Any Director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for election. Any director who retires under this Article shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.

58 REMOVAL OF DIRECTOR BY SPECIAL RESOLUTION

58 1 Without prejudice to the provisions of the Statutes, the members may, by special resolution, remove any Director before the expiration of his period of office, notwithstanding anything in these Articles or in any agreement between the Society and the Director.

58 2 Nothing in this Article shall be taken as depriving any Director so removed of compensation or damages payable to him in respect of the termination of his appointment as a Director or of any executive appointment *ipso facto* terminating with his appointment as a Director.

58 3 The members may by ordinary resolution appoint another person in place of a Director removed from office pursuant to this Article. The person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last appointed or reappointed as a Director.

PROCEEDINGS OF DIRECTORS

59 MEETINGS OF THE BOARD, DETERMINATION OF QUESTIONS; CHAIRMAN'S CASTING VOTE; CONVENING OF MEETINGS

59 1 The Board may meet for the despatch of its business and adjourn and otherwise regulate meetings as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes. In case of an equality of votes the chairman of the meeting shall have a casting vote.

59 2 The chairman or deputy chairman appointed pursuant to Article 62 or any three Directors may, and the Secretary on the requisition of such chairman or deputy chairman or any three Directors shall, at any time, summon a meeting of the Board. 7 days' notice, at least, of any meeting of the Board shall be given to each Director either personally or by sending the same by facsimile transmission, by telex, by electronic mail or through the post addressed to him at the address in the United Kingdom given by him to the Society. Any Director may waive his right to receive notice of a meeting of the Board, and such waiver may be retrospective.

60 QUORUM AND ATTENDANCE BY TELEPHONE

60 1 The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be two individuals present in person or in communication with the meeting by telephone. To count in a quorum, any individual who is in communication with the meeting by telephone must be able fully to hear and participate in the proceedings.

60 2 A resolution of Directors who would (if attending a meeting) comprise a quorum, who are in communication with each other by telephone, shall be as valid and effective as if passed at a meeting of the Board duly convened and held.

61 RESTRICTED POWERS OF DIRECTORS TO ACT IF NUMBER FALLS BELOW PRESCRIBED MINIMUM

The continuing Directors may act notwithstanding any vacancies in their body, but if and so long as the number of Directors is reduced below the minimum number of Directors fixed by or in accordance with these Articles, or fixed as the quorum necessary for the transaction of the business of the Board, the continuing Directors may act for the purpose of filling up vacancies in their body or of summoning general meetings of the Society, but not for any other purpose. If there are no Directors able or willing to act, then any two members may summon a general meeting for the purpose of appointing Directors.

62 CHAIRMAN AND DEPUTY CHAIRMAN

62 1 The Directors shall at their first meeting after every annual general meeting appoint one of their number to be chairman of the Board and one other of their number to be deputy chairman.

62 2 The retiring chairman and deputy chairman of the Board shall, respectively, be eligible for re-election.

62 3 The Directors may at any time remove the chairman or deputy chairman of the Board from office and appoint another director to be chairman or deputy chairman, as the case may be.

62 4 The chairman or deputy chairman of the Board may resign by giving not less than one month's notice in writing to the Directors of his intention to do so, and his resignation shall take place on the expiry of that notice

62 5 A casual vacancy in the office of chairman or deputy chairman of the Board shall be filled as soon as convenient by the Directors, not less than 7 days' notice being served on each Director of the meeting at which it is proposed to fill such vacancy and of the object of the meeting Any Director elected to fill such vacancy shall hold office only so long as the vacating chairman or deputy chairman would have been entitled to hold office

63 CHAIRMAN TO PRESIDE AT BOARD MEETINGS

63 1 The chairman of the Board shall preside as chairman at every meeting of the Board, save that

(a) if there is no such chairman, or if he has given advance notice to the Secretary that he will be absent from the meeting, or if at any meeting he is not present within ten minutes of the time appointed for holding the same or is unwilling to act as chairman, the deputy chairman (if any), if present and willing to act, shall preside as chairman,

(b) if neither the chairman nor the deputy chairman is present within ten minutes of the time appointed for holding the meeting, or if neither of them is willing to act as chairman, the Directors present shall choose one of their number to act

64 VALIDITY OF WRITTEN RESOLUTION OF DIRECTORS

A written resolution signed by all the Directors entitled to receive notice of a meeting of the Board or of all the members of a committee of the Board shall be as effective as a resolution passed at a meeting of the Board or of a committee of the Board duly convened and held, and may consist of several documents in the like form each signed by one or more of the Directors concerned For the purposes of this Article, any signature may be affixed to a facsimile copy of the resolution and any signed resolution shall be valid if the Society receives the original or a copy by facsimile transmission, but the signatory of any such resolution sent to the Society by facsimile transmission shall in every case forward the signed original to the Secretary as soon as practicable

65 POWERS OF A QUORUM OF THE BOARD

A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Board

66 DELEGATION OF POWERS TO A DIRECTOR

The Board may entrust to and confer upon any Director any of the powers exercisable by it upon such terms and conditions and with such restrictions as it thinks fit, and either collaterally with, or to the exclusion of, its own powers, and may from time to time revoke or vary all or any of such powers

67 APPOINTMENT OF COMMITTEE OF THE BOARD

The Board may delegate any of its powers to committees consisting of such members or member of its body as it thinks fit Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board

Any such regulations may, *inter alia*, provide for or authorise the co-option to the committee of persons other than Directors and for such co-opted persons to have voting rights as members of the committee

68 PROCEEDINGS OF A COMMITTEE OF THE BOARD

The meetings and proceedings of any committee appointed pursuant to these Articles shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations made by the Board. At least one Director must be present at every meeting of any such committee. The chairman of any meeting of any such committee shall be a Director or any other person appointed by the Board to act as chairman of any such committee and any such meetings

69 VALIDITY OF ACTS OF THE BOARD OR OF A COMMITTEE OF THE BOARD OR OF A DIRECTOR

All acts done *bona fide* by any meeting of the Board or of a committee of the Board, or by any person acting as a Director or pursuant to any resolution duly and validly passed by the Board or by a committee of the Board shall be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or committee member (as the case may be) and had been entitled to vote, even if it is afterwards discovered that there was some defect in the appointment of any person acting as aforesaid, or that they or any of them were disqualified from holding office, or had vacated office, or were not entitled to vote

MINUTES

70 MINUTES

70 1 The Board shall cause minutes to be made of

- (a) the appointment of any Executive Director, Secretary, Auditor or Actuary made by the Board,
- (b) the names of the Directors present at each meeting of the Board and of the Directors and any others present at each meeting of any committee of the Board, and
- (c) all resolutions and proceedings at all meetings of the Society, of the Board and of committees of the Board

70 2 Any such minutes, if purporting to be signed by the chairman of the meeting at which the proceedings took place or by the chairman of the next succeeding meeting, shall be evidence of the proceedings

OFFICERS

71 ACTUARY, SECRETARY, ETC

The Board shall from time to time appoint an Actuary, a Secretary and such other officers, employees and agents of the Society as they may deem necessary. Any such appointment shall be for such term, at such remuneration, upon such conditions and with

such powers and duties as the Board may think fit. Any person so appointed may be removed by the Board, but without prejudice to any claim which such person may have against the Society

THE SEAL

72 CUSTODY AND USE OF THE SEAL

72 1 The Seal shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by the Board to grant such authority. Except as provided by Article 72 2, every instrument to which the Seal is affixed shall be signed by a Director or senior official of the Society (being an official authorised for this purpose by the Directors) and shall be countersigned by the Actuary or the Secretary or another person duly authorised by the Directors to do so.

72 2 A receipt given under the Seal for money secured by any mortgage, and any other instrument given under the Seal which is required to be executed in connection with the discharge of, or otherwise relates to, any mortgage, need only be signed by a Director or the Actuary or the Secretary or another person duly authorised by the Directors to do so.

72 3 To the extent permitted by law, a document which is signed by a Director and the Secretary, or by two Directors, and expressed (in whatever form of words) to be executed by the Company shall have the same effect as if it were under seal and a document so executed which

(a) is intended by the person or persons making it to be a deed, and

(b) makes that fact clear on the face of such document (in whatever form of words),

shall have effect, upon delivery, as a deed, and it shall be presumed, unless a contrary intention is proved, to be delivered upon its being so executed.

73 OFFICIAL SEAL FOR USE OVERSEAS

The Society may have one or more official seals for use overseas where and as the Board shall determine. The Society may in writing under the Seal appoint any agent or committee to be the duly authorised agent of the Society for the purpose of affixing and using abroad any such official seal and may impose such restrictions on the use thereof as may be thought fit. Wherever in these Articles reference is made to the Seal, the reference shall, when and so far as may be applicable, be deemed to include any such official seal.

AUTHENTICATION OF DOCUMENTS

74 AUTHENTICATION OF DOCUMENTS BY DIRECTORS, SECRETARY OR ANY OTHER PERSON APPOINTED BY THE BOARD

Any Director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any document or proceeding requiring authentication by the Society, and such authentication need not be made under the Seal. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the

Society or of the Board or any committee of the Board which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Society upon the faith thereof that such resolution has been duly passed or, as the case may be, that such minute or extract is a true and accurate record of proceedings at a duly constituted meeting

ACCOUNTS AND AUDIT

75 KEEPING OF ACCOUNTS AND RETENTION AND LOCATION OF ACCOUNTING RECORDS

75 1 The Board shall cause to be kept proper accounts and accounting records in accordance with the requirements of the Statutes

75 2 The accounting records shall be kept at the Office or (subject to the provisions of the Statutes) at such other place as the Board thinks fit, and shall always be open to inspection by the Directors and any other officers of the Society. No member (other than an officer of the Society) shall have any right of inspecting any account or book or document of the Society except as conferred by law (including the Statutes) or authorised by order of the court or by the Board or by the Society in general meeting

76 ACCOUNTS TO BE LAID BEFORE GENERAL MEETINGS

The Directors shall from time to time, in accordance with the provisions of the Statutes, cause to be prepared and to be laid before the Society in general meeting such profit and loss accounts, balance sheets and reports as are specified in the Statutes,

77 AUDITORS' REPORT

The auditors' report shall be read before the Society in general meeting and shall be open to inspection as required by the Statutes

78 REPORTS AND ACCOUNTS TO BE DELIVERED TO MEMBERS ON REQUEST

Every member shall be entitled, on application, to receive a printed copy of the Directors' and auditors' reports accompanied by printed copies of the balance sheet, profit and loss account and other documents required by the Statutes to be annexed to the balance sheet prepared by the Society for the purposes of Part VII of the Companies Act 1985,

79 APPOINTMENT OF AUDITORS

Auditors shall be appointed, and their duties, powers, rights and remuneration regulated, in accordance with the provisions of the Statutes from time to time in force

80 ACCOUNTS TO BE AUDITED ANNUALLY

At least once in every financial year of the Society, the accounts of the Society shall be examined and the balance sheet, profit and loss account and the Group accounts, if any, reported upon by the Auditors

81 VALIDITY OF ACTS OF AUDITORS

Subject to the provisions of the Statutes, all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Society, be valid,

notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment

82 RIGHT OF AUDITORS TO RECEIVE NOTICE OF AND ATTEND AND SPEAK AT GENERAL MEETINGS

The Auditors shall be entitled to attend any general meeting and to receive all notices of and other communications relating to any general meeting which any member is entitled to receive, and to be heard at any general meeting on any part of the business of the meeting which concerns them as Auditors

NOTICES

83 NOTICES TO BE IN WRITING

Save as otherwise permitted or provided by these Articles, any notice to be given to or by any person pursuant to these Articles shall be in writing, except that a notice calling a meeting of the Board or any committee of the Board need not be in writing

84 SERVICE OF NOTICES OF GENERAL MEETINGS

All notices given to members pursuant to Article 6, 14 2 or 20 shall be given by advertisement in one or more national daily newspapers as the Board may consider appropriate. In the case of a meeting convened for the purpose of considering the passing of a special resolution, the notice shall specify the intention to propose the resolution as a special resolution. Any such notice shall be deemed to have been given on the day on which such advertisement appears

85 SERVICE OF OTHER NOTICES BY THE SOCIETY

85 1 Without prejudice to any other provision of these Articles, any other notice in writing or other document may be served by the Society on any person (whether a member, a policyholder of a Society Policy, a Director or otherwise) either personally or by sending it through the post in a prepaid envelope addressed to such person, or by delivery in an envelope addressed to such person, at his registered address

85 2 If more than one person is at any time a member in respect of any one Society Policy

- (a) if all such members are entitled to vote at a meeting of the Society in respect of that policy then any notice to be given to members in respect of that policy shall be given to all such members, and
- (b) if such members hold the benefit of that policy as trustees or as the members of a partnership or unincorporated association, any notice to be given to such members shall be given only to such member (if any) as is entitled to vote at a general meeting in respect of that policy pursuant to Article 25 4

85 3 The registered address of a member shall be the latest address appearing in the Register as the address of such member. The registered address of any other person shall be the latest address of that person in the other records of the Society

85 4 Any person whose registered address is not in the United Kingdom shall not be entitled to receive any notice from the Society unless he notifies in writing to the Society some address in the United Kingdom to be his address for service. A notice may be served on

him by sending it through the post in a pre-paid envelope addressed to him there, and notice so served shall be good and sufficient notice

- 85 5 The Society shall not be obliged to serve any notice upon any person who has failed to give notice of any address or where, after making reasonable enquiry, the Society is satisfied that communications sent to a person's registered address or address for service are not reaching him there

86 SERVICE OF NOTICES ON THE SOCIETY

Save as otherwise permitted or provided by these Articles, any notice to be served on the Society, or other communication to the Society shall be in writing and any notice in writing or other document to be served on the Society shall be sent to or left at the Office or such other place as the Board may from time to time agree. Any such agreement of the Board may be prospective or retrospective, and may be in relation to all such notices and documents, or to any class or description of them, or to a single notice or communication

87 MEMBER PRESENT AT GENERAL MEETING DEEMED TO HAVE RECEIVED NOTICE

Any member present, either personally or by proxy, at any meeting of the Society shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened

88 WHEN SERVICE EFFECTED

- 88 1 Any notice in writing or other document, if served by the Society by post, shall (if sent by first class post) be deemed to have been given on the day following that on which the envelope containing the notice was posted or (if sent by second class post) be deemed to have been given on the third day following that on which the envelope containing the notice was posted and, in proving such service, it shall be sufficient to prove that the envelope containing the notice or document was properly addressed and duly posted. A notice given by the Society by advertisement shall be deemed to have been served on the day on which the advertisement appears

- 88 2 No notice in writing or other document to be served on the Society shall be regarded as served on or received by the Society unless it is actually received by the Society at the Office or at such other address as agreed by the Board for the purpose of that notice pursuant to Article 86 or unless the Board waives the provisions of this Article 88 2 in any case

POLICIES

89 LIABILITY IN RESPECT OF SOCIETY POLICIES

Every Society Policy shall be granted or other contract made on the terms that the Society is only liable thereunder to the extent of its assets and property from time to time existing, and that no member or other person interested in any Society Policy shall be liable to any call or contribution in the liquidation of the Society or otherwise or satisfying the demands of the policyholder or of any person claiming under him or in respect of any other contract

SEPARATE AND HYPOTHECATED FUNDS

90 FORMATION OF SEPARATE AND HYPOTHECATED FUNDS

90 1 The Board may, having regard to the advice of the Actuary, make all necessary and convenient arrangements for carrying to a separate or hypothecated fund or funds the receipts from such business as is mentioned in Article 90 2 below, and for meeting from that fund or funds the payments in respect of such business, and may, if they think fit, provide that such fund or funds be security for the insurances under the Society Policies attributable thereto respectively in the same manner as if each such fund formed the fund of a separate company carrying on no other business than that comprised in such Society Policies

90 2 A separate or hypothecated fund may be established under Article 90 1 above in respect of

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

91 APPLICATION OF SEPARATE AND HYPOTHECATED FUNDS

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

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

92 PROSPECTUSES FOR SEPARATE AND HYPOTHECATED FUNDS

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

RESERVE FUNDS

93 RESERVE FUNDS

Before any profits are allocated to or divided among the Society Policies carrying the right to participate in the profits of the Society, or any class of such Society Policies as hereinafter provided, the Board may, from time to time, set aside such sums as they think fit for the maintenance or increase of existing reserve funds, or for the formation, maintenance or increase of additional reserve funds, for such purposes in all cases as the

Board thinks fit, and the Board may, as it thinks fit from time to time, deal with and apply or discontinue any such reserve funds or any part thereof for any such purposes

ACTUARIAL REPORT AND DISTRIBUTION OF PROFITS

94 ACTUARIAL VALUATION AND REPORT

An investigation shall be made by the Actuary as at 31 December in each year, or at such other date as the Board may determine, to ascertain the financial condition of the Society and the Actuary shall make a report on that financial condition to the Board

95 CERTIFICATION AND DECLARATION OF SURPLUS

95 1 At intervals of one year, or such shorter period or such longer period (not exceeding three years) as the Board may determine, the Board shall procure that the Actuary shall report to the Board and shall certify, in relation to the funds of the Society, including, where the Actuary considers appropriate, any notional funds or sub-funds maintained by the Society for any purpose, the amount of the surplus, if any, which in his opinion is then available for allocation to Society Policies eligible to participate in the profits of such funds. In relation to each such fund, the **"available surplus"** shall mean the amount so certified

95 2 Where there is an available surplus in respect of any fund, the Board may declare to be distributable the whole, or such part, if any, as it thinks fit of such available surplus. In relation to any such fund, the **"distributable surplus"** shall mean the amount so declared

95 3 Nothing in this Article shall require the Board to declare the whole of the available surplus arising in any fund to be distributable and it may, in its discretion, determine that the whole of the available surplus in any fund be carried forward in that fund

96 ALLOCATION OF SURPLUS

If the Board declares a distributable surplus in respect of any fund, it shall allocate that distributable surplus among the Society Policies carrying a right to participate in the profits of that fund on such principles and by such methods as it may from time to time determine, having regard to the terms and conditions of such Society Policies and to the terms on which any separate or hypothecated fund was established relative to such Society Policies

97 APPLICATION OF SURPLUS

The distributable surplus in respect of any fund may be applied in the provision of bonuses or by reduction of premiums or otherwise as the Board may determine

98 BONUSES ON CLAIMS BETWEEN DISTRIBUTIONS

In respect of the period since the previous distribution of surplus, or in any other respect as the Board may determine, the Board may provide at the date of a claim under a Society Policy (including a claim in relation to the surrender of a Society Policy) a bonus of any nature whatsoever on such basis or bases and at such rate or rates as they may from time to time determine, having regard to the advice of the Actuary, and the Board shall have power to amend such basis or bases and rate or rates, or to suspend payment of such bonuses at any time

99 RIGHTS OF PARTICIPATION

- 99 1 Except as provided in Article 98 no member shall, nor shall any person claiming under him, be entitled to participate in the distributable surplus in respect of any Society Policy if such Society Policy is not in force (whether or not capable of being revived) at midnight at the end of the day ending the period in respect of which such surplus is distributable, or if the Society Policy has matured or become a claim by death, survival or otherwise prior to midnight at the end of that day
- 99 2 Nothing in this Article shall require the Board to allocate any of the distributable surplus to any Society Policy that is no longer in force (whether or not capable of being revived) at midnight at the end of the day before the day the date on which the Board actually makes its declaration

100 ACTUARY TO CERTIFY ALLOCATION

No bonus shall be allocated or applied as aforesaid unless and until it has been certified by the Actuary that the interests of all policyholders, or the persons claiming under them, are fairly dealt with and secured by the proposed scheme of allocation

101 POWER TO DECLARE SURPLUS NOT TO BE DELEGATED

The powers and responsibilities under the foregoing Articles in relation to the distribution of profits shall be exercised by the Board as such and shall not be capable of delegation by it whether in whole, or in part, or in respect of any separate or hypothecated fund

102 RIGHTS OF MEMBERS IN A WINDING UP

If upon the winding up or dissolution of the Society there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, it shall not be paid to or distributed among the members of the Society but shall be allocated as a bonus among Society Policies as at the commencement of the winding up or dissolution in the same manner as provided in Article 96

INDEMNITY AND INSURANCE

103 INDEMNITY AND INSURANCE FOR DIRECTORS AND OTHER OFFICERS

- 103 1 Every Director or other officer or trustee or employee or agent of the Society (or any former Director or other officer or trustee or employee or agent of the Society) shall be entitled to be indemnified out of the assets of the Society against all costs, charges, expenses, losses or liabilities which he may sustain or incur in or about the execution of his duties to the Society or as a result of any contract, act, deed, matter or thing made, done, entered into or executed by him on behalf of the Society or in relation to the business of the Society and in defending any proceedings, whether civil or criminal, which relate to anything done or omitted to be done or alleged to have been done or omitted to be done by him as an officer or employee or agent or trustee of the Society except in any such case any costs, charges, losses, damages or expenditure arising through his own negligence, default, breach of duty or breach of trust unless in the opinion of the Board such person has acted honestly and reasonably and, having regards to all the circumstances of the case, including those connected with his appointment, he ought fairly to be excused such negligence, default, breach of duty or breach of trust

103 2 The Board may purchase and maintain insurance cover at the cost of the Society in respect of any liability, loss or expenditure incurred by any Director or other officer or employee or agent or trustee of the Society or of any subsidiary undertaking of the Society (or any former Director, or other officer or employee or agent of the Society or of any such subsidiary undertaking) in relation to anything done or alleged to have been done or omitted to be done by him as Director or officer or employee or agent or trustee

104 DETERMINATION OF CERTAIN MATTERS BY THE DIRECTORS

104 1 In any case of doubt, the decision of the Directors, whether or not taken before the adoption of this Article 105 1, as to whether or not a person is a member shall be conclusive. In arriving at their decision, the Directors shall be entitled to rely upon the Society's computer records and/or other records, and for this purpose to set the date by reference to which the computer records and/or other records shall determine any such question

104 2 In any doubt, the decision of the Directors as to whether or not a policy is entitled to participate in the profits of the Society shall be conclusive

104 3 Without prejudice to Articles 105 1 and 105 2, for the purposes of determining any entitlement to the compensation which is to be provided to members under the Scheme in respect of the loss of membership rights, the Directors shall be entitled to draw up a list of members as at the time and date when the Scheme takes effect. That list may be drawn up by the Directors by reference to the Society's computer records and/or other records at a date set by them for this purpose and such list shall be conclusive as to the members of the Society entitled to such compensation under the Scheme

104 4 For the purposes of this Article, the Directors shall be entitled to rely exclusively on information which it is reasonably practicable for them to obtain from the Society's computer and/or other records