

No. 3, 1954.]

## PRIVATE ACT

To provide for the incorporation of the South African National Life Assurance Company as a mutual life assurance company, and further to provide for the constitution, management, control, rights, powers, privileges and duties of such company, and for matters incidental to its incorporation.

*(Afrikaans text signed by the Governor-General.)  
(Assented to 12th March, 1954.)*

**WHEREAS** on the eighth day of June, 1918, in the Cape Province there was formed a company registered with limited liability under the name of The South African National Life Assurance Company, Limited, hereinafter referred to as the Existing Company, and this Company still exists: Preamble.

**AND WHEREAS** the Existing Company has since its establishment conducted the business of life insurance and now conducts such business and is duly registered to carry on such business in terms of the Insurance Act, 1943 (Act No. 27 of 1943):

**AND WHEREAS** the shareholders of the Existing Company have resolved that it is desirable that the Existing Company shall be replaced by a Mutual Life Assurance Company:

**AND WHEREAS** no legal provision exists whereby effect can be given to such resolution:

**AND WHEREAS** it is desirable that legal provision be made for the incorporation of a mutual life assurance company, hereinafter referred to as the Company, to replace the Existing Company:

**AND WHEREAS** it is desirable that the members of the Company shall be its policyholders:

**AND WHEREAS** it is desirable that the name of the Company shall be South African National Life Assurance Company:

**AND WHEREAS** it is desirable for the purpose of such incorporation that the Existing Company shall cease to exist and that its shares shall be cancelled:

**AND WHEREAS** a company known as the South African National Trust and Assurance Company, Limited, is the holder of all the shares in the Existing Company:

**AND WHEREAS** an equitable value of the shares is the sum of fifty thousand pounds:

**AND WHEREAS** the South African National Trust and Assurance Company, Limited, is prepared, with a view to the establishment of a mutual life assurance company in replacement of the Existing Company, to relinquish its shares upon payment of the sum of fifty thousand pounds:

**AND WHEREAS** it is desirable that the Company shall pay to the South African National Trust and Assurance Company, Limited, the sum of fifty thousand pounds:

**AND WHEREAS** it is desirable to provide that the Company shall be a body corporate:

**AND WHEREAS** it is desirable to define the powers and objects of the Company:

**AND WHEREAS** it is desirable to provide for the limitation of liability of the members of the Company:

**AND WHEREAS** it is desirable to provide that the affairs of the Company shall be managed by a board of directors and that the first directors of the Company shall be the persons who were the first directors of the Existing Company immediately prior to the termination of its existence:

**AND WHEREAS** it is desirable to provide for articles of association of the Company and for the amendment thereof or addition thereto:

**AND WHEREAS** it is desirable to provide for the transfer to the Company of all rights, obligations, assets and liabilities of the Existing Company, for the consequential amendment of deeds registers and other official documents without payment of transfer duty, stamp duty or registration fees, and the substitution for the Existing Company of the Company as a party to pending legal proceedings:

**AND WHEREAS** it is desirable to provide that all officers, servants, auditors and actuaries of the Existing Company shall

remain in office on the same basis as would have applied in respect of the Existing Company:

AND WHEREAS it is desirable to provide for the amendment or extension, subject to ratification by the Court, of certain provisions of this Act by the members of the Company:

AND WHEREAS it is desirable to provide that there shall be no derogation from the provisions of certain other Acts:

AND WHEREAS it is desirable to provide for the payment by the Company of the costs, charges and expenses incurred in the promotion and passing of this Act:

**BE IT ENACTED** by the Queen's Most Excellent Majesty, the Senate and the House of Assembly of the Union of South Africa, as follows:—

## CHAPTER I.

### DEFINITIONS.

1. In this Act, unless the context indicates otherwise— Definitions.
- (i) "Company" means the South African National Life Assurance Company incorporated in terms of the provisions of this Act; (iii)
  - (ii) "Existing Company" means The South African National Life Assurance Company, Limited, a company with limited liability registered on the eighth day of June, 1918, under the Companies Act, 1892; (i)
  - (iii) "policyholder" means the owner of any insurance policy in the Company other than a temporary or term insurance; (iv)
  - (iv) "the court" means the Cape Provincial Division of the Supreme Court of South Africa; (ii).

## CHAPTER II.

### INCORPORATION OF A MUTUAL LIFE ASSURANCE COMPANY.

2. With the coming into operation of this Act there shall come into existence a mutual life assurance company under the name of South African National Life Assurance Company. Coming into existence and name of Company.

3. The members of the Company shall be the policyholders, and registration as a policyholder in the books of the Company, shall be *prima facie* proof of membership. Members of the Company.

4. The Company shall be a body corporate and shall by its own name be capable in law of suing and being sued, acquire and alienate property, enter into contracts and generally transact all its business. Company to be a body corporate.

5. The objects of the Company are: Objects.

- (i) Generally to carry on business as a mutual life assurance company and to undertake life insurance in all its branches, more particularly and without derogating from the generality of the preceding, to enter into insurances for the payment of sums of money, in one or more instalments or by way of immediate or deferred annuities, upon the death of, or the attainment of a specified age by, any person, or upon the birth of any person, or upon failure of issue or upon the marriage of any person, or upon the survival of one person by another, or upon the occurrence of any event or contingency directly or indirectly connected with human life, or upon certain dates regardless of any such event or contingency, and to undertake such insurances with or without disability benefits, with or without sickness and accident benefits and with or without participation in the profits of the Company.
- (ii) To carry on sinking fund business.
- (iii) To carry on industrial and funeral insurance business.

- (iv) To issue annuities of all kinds, immediate as well as deferred annuities, whether or not payment thereof is dependent upon any incident or contingency connected with human life.
- (v) To purchase or sell life interests or contingent rights or to advance money thereon.
- (vi) To reinsure the whole or any part of the insurances effected by the Company, or to reinsure the insurances undertaken by any other person, provided that the insurance effected by such person is an insurance which the Company itself would have had the power to undertake.
- (vii) To purchase, hire, sell or let any movable or immovable property, or in any way to deal in, acquire or alienate any such movable or immovable property, or to erect houses or buildings of any kind.
- (viii) To purchase or sell any shares, insurance policies, stocks, debentures, acknowledgments of debt or any other securities of any kind.
- (ix) To lend money on security of life insurance policies.
- (x) To place money on deposit at any bank, company, building society or trust company or any institution entitled to receive deposits.
- (xi) To pledge or mortgage properties or securities, stocks, debentures, acknowledgments of debt or shares in which the Company's funds are invested.
- (xii) To sign, accept, endorse or discount acknowledgments of debt, bills of exchange and other negotiable instruments.
- (xiii) To receive money on deposit.
- (xiv) To borrow money from or lend money to any person, society, association, company or bank or any other body, with or without security.
- (xv) To create or maintain pension or other funds for the general welfare of the Company's officers.
- (xvi) To establish any company and to transfer to such company the whole or any part of the property, rights or assets of this Company.
- (xvii) To acquire by purchase, amalgamation, exchange or otherwise, wholly or partly, the assets, rights, obligations and/or undertaking of any other company or person carrying on any business which this Company is empowered to carry on, or holding property suitable for the purposes of this Company.
- (xviii) To underwrite the issue of any stocks, debentures, shares or other securities or to guarantee the taking up thereof and itself to take up such securities.
- (xix) To register as insurer in the Union of South Africa and in any other country and to carry on business in accordance with its objects in the Union of South Africa and in any other country.
- (xx) To do all such things as the Company may consider to be incidental or conducive to the attainment of all or any of the abovementioned objects.

6. The business of the Company shall be managed by a board of directors, and the first directors of the Company shall be the persons who are directors of the Existing Company immediately prior to the coming into operation of this Act. The directors shall continue in office as directors of the Company until such time as they become disqualified, retire or are removed from office in terms of the Articles of Association of the Company.

Appointment of directors and tenure of office.

7. Upon the coming into operation of this Act, the Existing Company shall cease to exist and its shares shall be cancelled.

Existing Company and its shares.

8. The Company shall pay to the South African National Trust and Assurance Company, Limited, as the sole shareholder in the Existing Company, the sum of £50,000.

Purchase price for shares.

9. (1) Upon the coming into operation of this Act all present, future or contingent rights and obligations and all assets and liabilities of the Existing Company shall become rights, obligations, assets and liabilities of the Company and policyholders of the Existing Company shall become policyholders of the Company.

Arrangements concerning rights, assets and liabilities and legal proceedings.

(2) All legal proceedings by or against the Existing Company pending upon the coming into operation of this Act, shall for all purposes be deemed to be legal proceedings by or against the Company.

10. (1) Any registrar of deeds or other official competent to register deeds or mining titles, is hereby ordered to make, in the relative deeds and in his registers, without payment of transfer fee, stamp duty or any other charge, all the amendments necessary for substituting the name of the Company for the name of the Existing Company.

Amendment of official documents.

(2) The Registrar of Insurance, the Secretary to the Treasury and any other official whether of a governmental or other body entrusted with the keeping of official documents, are hereby ordered to substitute the name of the Company for the name of the Existing Company on all documents in their charge, without payment of stamp duty or other charge.

11. The liability of the members is limited to the amount of contributions actually made by them to the funds of the Company.

Limitation of liability.

12. (1) Subject to the provisions of this section the Company may, by resolution of its members, amend or add to the provisions of sections one, five, six, thirteen and fourteen of this Act, so far as may be required to enable it—

Amendment of Act.

- (a) to carry on its business more economically or more efficiently;
- (b) to attain its main purpose by new or improved means;
- (c) to extend or change the area of its operations;
- (d) to carry on some business which under existing circumstances may conveniently or advantageously be combined with the business of the Company:

Provided that no such amendment shall make provision for any matter which could not lawfully be included in the Memorandum of Association or Articles of Association of a company registered under the Companies Act, 1926 (Act No. 46 of 1926). For the purpose of this sub-section the carrying on of insurance business shall be deemed to be the main object of the Company.

(2) A resolution in terms of sub-section (1) shall be effective only when it has been passed by not less than three-fourths of such members as are entitled to vote and are present in person or by proxy at a meeting of which not less than twenty-one days' notice has been given. Such notice shall state the intention to propose the resolution and the general nature thereof, and shall be published once in the *Government Gazette* and in such newspaper or newspapers as the Directors of the Company may determine.

(3) The abovementioned amendment or addition shall not take effect until and except in so far as it is confirmed by the Court on petition.

(4) The Court may confirm the alteration wholly or in part, subject to such conditions as it may deem desirable, and may make any other order it may deem equitable, also with regard to costs. Any order in terms of this sub-section may be granted as a final order after the petition has been heard or, if deemed desirable by the Court, after a rule *nisi* has been given and served on such persons and in such manner as the Court may direct.

13. The Articles of Association of the Company shall be as set out in the Schedule to this Act.

Articles of Association.

14. The Articles of Association of the Company may, but not inconsistently with this Act, be amended or added to by a resolution passed by a majority of such members as are entitled to vote and are present in person or by proxy at a meeting of which not less than twenty-one days' notice has been given. Such notice shall state the intention to propose the resolution and the general nature thereof, and shall be published once in the *Government Gazette* and in such newspaper or newspapers as the Directors of the Company may determine.

Amendment of Articles of Association.

## CHAPTER III.

## MISCELLANEOUS.

15. All officers, servants, auditors and actuaries of the Existing Company shall remain in office as officers, servants, auditors and actuaries of the Company with such mutual rights and obligations between them and the Company as would have existed between them and the Existing Company had this Act not been passed. Officers to remain in office.

16. This Act shall not derogate from the application to the Company of the provisions of the Insurance Act, (No. 27 of 1943), or of the provisions of any Act of Parliament in so far as they apply to life insurance companies. Application of other Acts.

17. The costs, charges and expenses preliminary to and incidental to the promotion and passing of this Act shall be paid by the Company. Costs of promotion and passing of Act.

18. This Act shall be called the South African National Life Assurance Company Incorporation (Private) Act, 1954. Short title.

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Schedule.

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ARTICLES OF ASSOCIATION FOR THE MANAGEMENT OF  
THE SOUTH AFRICAN NATIONAL LIFE ASSURANCE  
COMPANY.

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DEFINITIONS.

1. In these Articles, unless the context otherwise requires—
- “the Act” means the South African National Life Assurance Company Incorporation (Private) Act, 1954, and all expressions not otherwise defined in these Articles shall have the meaning ascribed to them in the Act;
- “Companies Act” means the Companies Act (Act No. 46 of 1926), as amended;
- “Secretary” includes any officer of the Company, by whatever name he may be known, who carries out the duties usually carried out by the Secretary of a company;
- “Insurance Act” means the Insurance Act (Act No. 27 of 1943), as amended.

BORROWING POWERS.

2. The Directors may in their discretion, from time to time, raise or borrow from the Directors, the members or other persons any sum or sums of money for the purposes of the Company.

3. The Directors may raise or secure the repayment of such moneys in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the execution of mortgage bonds, the issue of debentures or debenture stock of the Company charged upon all or any part of the property and rights of the Company, both present and future.

GENERAL MEETINGS.

4. The first general meeting of the Company shall be held not later than fifteen months after the last ordinary general meeting of the Existing Company.

5. A general meeting of the Company shall thereafter be held once in every calendar year at such time and place as may be prescribed by the Company in general meeting or by the Directors, subject *mutatis mutandis* to the provisions of section *fifty-nine* of the Companies Act.

6. The aforesaid meetings shall be called ordinary general meetings. All other general meetings shall be called extraordinary general meetings.

7. The Directors may, whenever they think fit, convene an extraordinary general meeting, and an extraordinary general meeting shall also be convened on a requisition delivered at the Head Office of the Company and signed by not less than one hundred members of not less than one year's standing and such requisition shall state clearly the purpose for which the meeting is required. The notice of an extraordinary general meeting shall be published within twenty-one days after the delivery of a requisition as aforesaid.

If the Directors should fail to publish within twenty-one days from the date of delivery of the requisition a notice convening an extraordinary general meeting of the Company; the requisitionists may themselves convene a meeting on thirty days' notice, but no meeting so convened may be held later than three months after the specified date.

8. Of every meeting of the Company thirty days' notice at the least shall be given by advertisement in the *Government Gazette* and in such newspapers as the Directors may determine. The notice shall specify the place, the day and the hour of meeting and, in the case of an extraordinary general meeting, the nature of the business.

9. No matter except the business set out in the notice convening the meeting shall be laid before an extraordinary general meeting.

10. At an ordinary general meeting the consideration of the accounts, the balance sheet and the ordinary report of the Directors and Auditors and the election and remuneration of Directors and Auditors shall be deemed to be ordinary business—all other business shall be deemed to be extraordinary business.

11. The Directors may, if they think fit, allow the consideration of extraordinary business at an ordinary general meeting provided that the nature of such business is made known to them in writing by ten members of at least one year's standing not later than thirty days prior to the day of such meeting and provided further that the said business is published not later than fourteen days before such meeting in like manner as laid down in Clause 8 of these Articles. The Directors may also of their own accord lay extraordinary business before an ordinary general meeting provided that the said business has been published in accordance with this clause.

12. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

13. At an ordinary general meeting twelve members present in person shall be a quorum for the transaction of ordinary business. At an extraordinary general meeting or for the transaction of business other than the ordinary business at an ordinary general meeting, fifty members present in person shall be a quorum.

14. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day of the next week, at the same time and place or, if that day be a public holiday, to the next succeeding day other than a Sunday or a public holiday, and if at such adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.

15. The Chairman of the Board of Directors, and if he is absent, the Deputy-Chairman, shall preside as chairman at every general meeting of the Company.

16. If the Chairman and the Deputy-Chairman are not present within fifteen minutes after the time appointed for holding the meeting or if neither is willing to act as chairman, the Directors present shall choose one from their number as Chairman and if no Director is present the members present shall choose one of their number to be chairman.

17. The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned notice of the adjourned meeting shall be given *mutatis mutandis* in terms of the provisions of section *sixty-two bis* (2) of the Companies Act. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at the resumption of an adjourned meeting.

18. At any general meeting a resolution put to the vote shall be decided by show of hands, unless a poll is demanded by one-fourth of the members present in person at the meeting (before or on the declaration of the result of the show of hands and unless a poll is so demanded a declaration by the Chairman, that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of that fact without the proof of the number or proportion of the votes recorded in favour of or against such resolution.

Notwithstanding anything to the contrary contained in these Articles the Directors holding office as such at the time of the passing of a resolution at a general meeting, may, if they deem it desirable and should so decide, submit any such resolution for confirmation to an extraordinary general meeting called for that purpose at a time and place determined by the aforesaid Directors and such resolution shall in that event take effect only if and when it has been so confirmed at such extraordinary general meeting. Such extraordinary general meeting shall be held within two months after the date of the general meeting at which the resolution in question was passed and at such meeting voting shall be exclusively by means of a poll.

19. If a poll has been duly demanded, it shall be taken in such manner as the Chairman directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. Scrutineers shall be appointed by the Chairman to declare the result of the poll and their decision, announced by the Chairman, shall be deemed to be the resolution of the meeting at which the poll was demanded.

20. In the case of an equality of votes, whether on a show of hands or on a poll (subject to the provisions of Clause 53 of these Articles) 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 second or casting vote.

21. A poll demanded on a question of adjournment or on the election of a Chairman, shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the Chairman of the meeting directs. The demand for a poll shall not prevent the continuation of a meeting for the transaction of any business other than the question upon which the poll has been demanded.

#### VOTES OF MEMBERS.

22. On a show of hands every member present in person shall have one vote.



23. On a poll every member present in person or by proxy shall have one vote irrespective of the number of policies owned by him.

24. Where two or more persons are jointly members by virtue of a policy, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint owners and for this purpose seniority shall be determined by the order in which the names stand in the register of members.

25. The parent or guardian of a minor, and the *curator bonis* of an insane member may vote at any general meeting in the same manner as if he were the member: Provided that 168 hours at least before the time of the holding of the meeting at which he proposes to vote he shall have satisfied the Directors that he is such a parent, guardian or curator or that the Directors have previously admitted his right to vote in respect of that membership.

26. On a poll, votes may be given either personally or by proxy. No such power of attorney shall be of effect unless it is dated at the time of the execution thereof and it is so dated within sixty days prior to a meeting at which it is to be used and no power of attorney shall be used at a resumption of an adjourned meeting which could not be used at the original meeting.

27. The instrument appointing a proxy shall be in writing under the hand of the appointer in the presence of one witness. No person shall act as a proxy unless he is entitled on his own behalf to be present and vote at the meeting at which he acts as proxy. The holder of a general power of attorney for conducting the affairs of a member absent from the Union of South Africa, may, if he is a member, vote for his appointer and, if he is not a member, he may give a power of attorney to a member to represent his appointer.

28. The instrument appointing a proxy and the power of attorney, if any, under which it is signed or a notarially certified copy of such power of attorney shall be deposited with the Secretary of the Company not less than 168 hours before the time appointed for the holding of the meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.

29. An instrument appointing a proxy shall be in the following form or in any other form which the Directors may approve:—

I, A.B., of \_\_\_\_\_ being a member of the South African National Life Assurance Company by virtue of my Policy No. \_\_\_\_\_ hereby appoint C.D., also a member thereof, of \_\_\_\_\_ as my proxy to vote for me and on my behalf at the ordinary and extraordinary general meetings (as the case may be) of the Company to be held on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, and at any resumption of an adjournment thereof.

SIGNED this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_.

WITNESS:

1.

#### DIRECTORS.

30. The business of the Company shall be transacted and managed by a Board of Directors of not less than seven and not more than twelve Directors.

#### ALTERNATE DIRECTORS.

31. (a) Each Director shall have the power to nominate one of the members possessing the necessary qualifications of a director, to act as alternate director in his place during his absence or inability to act as director. The nomination of an alternate director shall be subject to the approval of the Board of Directors.

(b) Any alternate director shall on appointment be subject in all respects to the terms, qualifications and conditions existing with reference to the other Directors of the Company.

(c) In addition the Board of Directors shall have the power to nominate not more than two members to act as alternate Directors.

32. The alternate Directors, whilst acting in the place of the Directors who appointed them or, in the case of alternate Directors nominated by the Board of Directors in terms of Clause 31 (c), whilst acting in the place of any Director, shall exercise and discharge all the duties and functions of the Directors they represent. The appointment of an alternate Director shall be cancelled, and the alternate Director shall cease to hold office, whenever the Director who appointed him shall cease to be a director, or shall give notice in writing to the Secretary of the Company that the alternate Director representing him shall have ceased to do so, and in the case of the disqualification or resignation of any alternate Director during the absence or inability to act of the Director whom he represents, the vacancy so arising shall be filled by the Chairman of the Directors nominating a duly qualified member to fill the same, subject to approval of the Board.

33. Subject to the provisions of Clause 30 of these Articles, (a) the Board of Directors may by resolution passed by at least two-thirds of the number of Directors, increase the number of Directors to such number as the Board of Directors may determine, in which case the Board of Directors may appoint the necessary additional director or directors and (b) the remaining Directors may in case of the death, resignation or in capacity of a Director, instead of having the vacancy filled, determine by resolution passed by not less than two-thirds of the number of such Directors, that the vacancy be not filled and reduce the number of directors accordingly.

34. The amount of the fees or remuneration of the Directors shall be determined from time to time at ordinary general meetings of the Company. The distribution of the fees or remuneration between the Directors shall be determined by the Directors.

35. The amount of the remuneration for special services (including service rendered on committees constituted in terms of Clause 62) by any of the Directors or alternate Directors, shall be determined by the Directors.

36. No person shall be appointed or elected as a Director unless—

- (i) he is a member of the Company, and
- (ii) he is not by virtue of the provisions of section *sixty-eight bis* (1) of the Companies Act disqualified from being appointed a director of a company.

No person so elected shall remain a director unless he remains so qualified.

#### POWERS AND DUTIES OF DIRECTORS.

37. Subject to the provisions of the Act the Directors shall generally have the power to manage and transact all the business of the Company and they may exercise all such powers of the Company as are not by the Act or these Articles required to be exercised by the Company in general meeting, subject nevertheless to any provisions of these Articles, to the provisions of the Act or modification thereof and to such regulations not inconsistent with the aforesaid Articles and provisions as may be prescribed by the Company in general meeting, but no regulation so made by the Company shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

38. The Directors may from time to time appoint one or more of their body as Managing Director or Manager for such term and at such remuneration as they may think fit and a Director so appointed shall not, while holding such office, be subject to retirement by rotation, or taken into account in determining the rotation of retirement of Directors, but his appointment shall terminate *ipso facto* if he shall cease from any cause to be a Director.

39. The Directors may from time to time entrust to or confer upon a Managing Director or Manager or other officer or person such powers and authorities vested in them, as they may think fit, and may confer such powers and authorities for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they may think expedient and they may confer such powers and authorities either collaterally or to the exclusion of, and in substitution for, all or any of the powers and authorities of the Directors and may from time to time revoke or vary all or any of such powers and authorities.

40. The Directors or committees of Directors or local boards shall cause minutes to be made in books provided for the purpose—

- (a) of all appointments of officers made by the Directors or committees of Directors or local boards;
- (b) of the names of the Directors or members present at each meeting of Directors and of any committee of the Directors or local boards;
- (c) of all resolutions and proceedings at all meetings of the Company and of the Directors and committees of the Directors and of local boards.

and every Director or member present at a meeting of Directors or committee of Directors or local board shall sign his name in a book to be kept for that purpose.

#### DISQUALIFICATIONS OF DIRECTORS.

41. The office of Director shall be vacated if the Director—

- (a) ceases to be a Director by virtue of the provisions of Clause 36 of these Articles; or
- (b) ceases to be a director of any company by virtue of section *sixty-eight bis* (2) of the Companies Act; or
- (c) holds any office of profit under the Company (including that of agent or canvasser, direct or indirect) other than that of Managing Director, Manager or pensioner; or
- (d) becomes insolvent; or
- (e) is found to be insane or becomes insane; or
- (f) without the consent of the Directors is or becomes a partner or employee of any other Director of the Company; or
- (g) is or becomes a director, manager, agent, auditor or employee of a company or society, incorporated or unincorporated, carrying on business in connection with life insurance, unless the Company itself has interests in such company or society or unless the other Directors have given their consent thereto; or
- (h) resigns his office by notice in writing to the Company; or
- (i) without the consent of the Board of Directors is absent from the meetings of Directors for a period of three consecutive months. The provisions of this sub-clause shall not apply to a Director while he is being represented by an alternate Director.

42. No Director, whether as a private individual or as a Director, member or employee of any other company, corporation, body corporate or partnership, shall be unqualified by virtue of his office from contracting with the Company, either as buyer or seller or otherwise, or from entering into contracts, agreements, transactions or arrangements with the Company (including the making of an investment or the taking out of an insurance policy with the Company) and his office shall not become vacant by reason of his entering into such contracts, agreements, transactions or arrangements, and no such contract or other contract, agreement, transaction or arrangement entered into by or on behalf of the Company with any other company or corporation or body corporate or partnership of which any Director is a director, member or employee or no contract, agreement, transaction or arrangement in which he has any interest whatsoever shall be void; and a Director who has entered into or has any interest in such contract, agreement, transaction or arrangement need not merely by virtue of the fact that such Director holds such office or by virtue of the fiduciary relationship established thereby, account to the Company for any profit on any such contract, agreement, transaction or arrangement.



The nature of the interest of any Director in such contracts, agreements, transactions or arrangements shall be disclosed by him at the meeting of the Board of Directors at which the question of entering into the contract, agreement, transaction or arrangement is first considered, if his interest is then already in existence, or in any other case at the next ensuing meeting of the Board of Directors held after he has acquired his interest. A general notice by a Director to the Directors that he is a member, director, or employee of any firm or a director, member or employee of any company, corporation or body corporate and that he is to be regarded as having an interest in all transactions which may after the date of such notice be entered into with such firm, company, corporation or body corporate, shall, however, be regarded as sufficient disclosure in terms of this Clause, and after such general notice has been given, it shall not be necessary to give special notice of specific transactions with such firm, company, corporation or body corporate.

The interested Director may, and shall be entitled to, vote either in respect of any contract entered into by or on behalf of the Company in order to furnish security by way of indemnity to the Directors or any of them either in respect of advances and loans made by them or any of them to the Company or in respect of any contract, agreement, transaction or arrangement entered into with a company, corporation, or body corporate of which the Directors of this Company or any of them may be a director, member and/or employee or in regard to any matter pertaining to, or resulting or arising from such resolution, but except in the aforesaid cases, the interested Director may not vote in regard to any such contract, agreement, transaction or arrangement or any matter pertaining thereto and if he does vote, his vote shall not be counted.

Nothing herein contained shall be regarded or construed as prohibiting a Director from participating as a member in or from voting in regard to all matters laid before a members' meeting, whether or not such Director personally has an interest or is concerned in the matter.

#### ROTATION OF DIRECTORS.

43. At the first general meeting of the Company and at the ordinary general meeting in every subsequent year one-third of the Directors for the time being, or if their number is not a multiple of three, then the number nearest to one-third, shall retire from office.

44. The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day or who in terms of section six of the Act are the first Directors of the Company, those to retire shall, unless they otherwise agree among themselves, be determined by lot.

45. A retiring Director shall be eligible for re-election and shall be regarded as duly nominated for the vacancy arising from his retirement.

46. The Company may at the general meeting at which a Director retires in the manner aforesaid, fill up the vacancy by electing a person in the manner hereinafter provided.

47. No person other than a retiring Director shall be eligible for election as a Director unless he is nominated in writing by at least fifty (50) members of not less than one year's standing within the time fixed for the receiving of nominations.

48. Not less than sixty days before the date of every ordinary general meeting and whenever Directors are to be elected by members to fill casual vacancies, notice shall be given in the *Government Gazette* and in such newspapers as the Directors may think fit, calling for nominations for candidates to fill the vacancies which exist or will occur and stating the reason for such vacancies and the names of the retiring Directors.

49. The notice referred to in Clause 48 of these Articles shall name a day being not less than fourteen days from the first appearance of such notice in the *Government Gazette* as the last day on which nominations shall be accepted.

50. If the number of candidates duly nominated together with the number of retiring Directors eligible for re-election is equal to the number of retiring Directors, the candidates nominated and the aforesaid retiring Directors shall be deemed to have been elected as Directors.

51. If upon the expiration of the time fixed for the receipt of nominations, no nominations have been submitted or if the number of candidates duly nominated together with the number of retiring Directors as aforesaid (if any) are less than the number of Directors to be elected, the candidates nominated (if any) and the retiring Directors shall be deemed to have been elected and the Board of Directors may fill any vacancy.

52. If the number of candidates duly nominated together with the number of retiring Directors as aforesaid (if any) is more than the number of Directors to be elected, the ordinary general meeting, in the case of vacancies occurring through effluxion of time, and an extraordinary general meeting, in the case of casual vacancies, shall elect the required number of Directors from the candidates duly nominated and the retiring Directors as aforesaid (if any).

53. At an election referred to in Clause 52 of these Articles the candidate (or retiring Director as aforesaid) or in cases where there are more than one vacancy, the candidates (or retiring Directors as aforesaid) obtaining the majority of votes shall be deemed to be duly elected. In the case of an equality of votes the candidates obtaining such an equal number of votes shall draw lots in the presence of one of the Directors and the Manager or Secretary and the candidate on whom the lot falls shall be deemed to be duly elected.

54. Any casual vacancy occurring in the Board of Directors may be filled by the Directors, but the person so chosen shall retire at the same time as if he had become a Director on the day on which the Director in whose place he was appointed had last been elected as Director.

55. Any such vacancy not filled by the Board of Directors, shall, failing a resolution by the Board of Directors in terms of Clause 33 of these Articles reducing the number of Directors, be filled in the manner

provided above, but the person thus elected shall retire at the same time as if he had become a Director on the day on which the Director in whose place he was elected, had last been elected as Director.

56. The Company may by resolution passed by not less than three-fourths of the members present in person or by proxy at a duly constituted extraordinary general meeting, remove a Director from office before the expiration of his period of office and may by resolution passed by a majority of the members present at such meeting, appoint another person in his place. The person so appointed shall retire at the same time as if he had become a Director on the day on which the Director in whose place he was appointed had last been elected as Director.

#### PROCEEDINGS OF DIRECTORS.

57. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at a meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes the Chairman shall have a second or casting vote.

58. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors.

59. The quorum necessary for the transaction of business by the Directors may be fixed by the Directors and unless so fixed shall be four.

60. The continuing Directors may act notwithstanding any vacancy in their body, but, if, and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of directors, the continuing Directors may act for the purpose of increasing the number of Directors to that number or of summoning a general meeting of the Company, but for no other purpose.

61. The Directors shall elect from their body a Chairman and Deputy-Chairman at their first meeting after every general meeting, and thereafter when necessary and shall determine the period for which they shall hold office. Such Chairman, and in his absence the Deputy-Chairman, shall preside at every meeting of Directors if he is present. If neither is present the Directors present shall choose one of their number to be Chairman of such meeting.

62. The Directors may delegate any of their powers to committees consisting of such member or members of the Board of Directors and on such conditions as they think fit.

63. The Directors may from time to time and at any time and upon such terms and conditions and at such remuneration or otherwise as they may think fit, establish branch offices under the charge of local managers or other local offices in any city or town or district of the Union of South Africa or elsewhere, and may appoint in each such place three or more members of the Company as local advisory Board members who shall constitute a local advisory Board. In all cases where a Director or Directors is or are resident in such city or town or district, he or they shall *ex officio* be members of the local advisory Board.

64. The Directors may in any place where they deem such a course to be better, appoint a local agent instead of establishing a local office and may make regulations for the management of all local agencies, branch offices and local offices.

65. The duties, authorities and powers of such local advisory Boards, local managers or local agents shall be determined from time to time by the Directors, and the Directors may delegate and entrust to such local advisory Board, local manager or local agent such of their authorities and powers for such period and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they may think expedient and the Directors may from time to time revoke or vary all or any of such authorities and powers.

66. The Chairman of a committee or local Board shall be appointed by the Directors. If the Chairman is not present within five minutes after the time appointed for holding the meeting the members present may choose one of their number to be Chairman of the meeting.

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

68. All acts done by any meeting of the Board of Directors or by a committee of Directors or local Board or by any person acting as a Director shall, notwithstanding that it be afterwards found that there was some defect in the appointment of any such Director or person acting as aforesaid or that they or any of them were disqualified, be as valid as if every such person had been duly appointed as a Director or member of a local Board and was qualified to be a Director or member.

#### BOOKS, ACCOUNTS, ETC.

69. The Company shall keep such proper books of accounts as are necessary for a true and fair reflection of the state of the Company's affairs and to explain the transactions and financial position of the business of the Company. Books of account showing the assets and liabilities of the Company shall also be kept.

70. A statement of income and expenditure and a balance sheet shall be prepared and laid before the Company at every ordinary general meeting. Such balance sheet shall contain a statement of the assets and liabilities of the Company set out under proper headings. To every balance sheet laid before the ordinary general meeting shall be attached a report by the Directors with regard to the state of the Company's affairs.

71. The books of account shall be kept at the Head Office of the company or at such other place or places as the Directors think fit and shall always be open to the inspection of the Directors.

72. The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors, and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorized by the Directors or by the Company in general meeting.

#### AUDITORS.

73. (a) An auditor or auditors shall be appointed at every ordinary general meeting to hold office from the conclusion of that meeting until the conclusion of the next ordinary general meeting.
- (b) At the ordinary general meeting a retiring auditor, however appointed, shall be deemed to be reappointed without a resolution being passed, unless—
- (i) a resolution has been passed at that meeting providing expressly that he shall not be reappointed; or
  - (ii) he has given notice in writing to the Company of his unwillingness to accept reappointment; or
  - (iii) he is an auditor appointed under the provisions of Clause 77.
- (c) A resolution in terms of paragraph (b) shall not take effect unless it has been passed by not less than three-fourths of the members present in person or by proxy and entitled to vote at an ordinary general meeting and unless notice of intention to propose the resolution has been given to the Company and the auditor concerned not less than forty days before the meeting at which it is to be proposed. The Company shall give notice of such a resolution to its members at the same time and in the same manner as notice of the meeting is given, or if that is not practicable, the Company shall at least twenty-one days before the meeting, give notice in a newspaper or newspapers indicated by the Directors or in such other manner as may be determined by the Directors.

74. The auditors who were the auditors of the Existing Company immediately prior to the coming into operation of this Act, shall be the first auditors of the Company and shall remain in office and shall be removed from that office only in terms of the provisions of Clause 73.

75. The office of auditor shall become vacant on the death of an auditor or on conviction of any offence if he is on that account sentenced to a period of imprisonment without the option of a fine, or if any auditor is in the opinion of the Directors incompetent or fails to carry out his duties properly.

76. The Directors may appoint any auditor to fill a vacancy arising in terms of Clause 75.

77. In addition to the auditors appointed in terms of Clause 76 the Directors may from time to time appoint auditors in any place where the Company may carry on business and the Directors may at any time dismiss such additional auditors.

78. No Director or officer of the Company shall be qualified to be appointed as auditor.

79. The remuneration of the auditors shall be fixed by the Company at every ordinary general meeting.

#### AUDIT.

80. There shall be a continuous audit by at least two auditors of the books, accounts and vouchers of the Company. The auditors shall annually examine the securities of the Company at the Head Office as well as the certificates in respect of securities held at branch offices and shall reconcile such securities and certificates with the annual balance sheet and other statements prepared for their audit. The auditors shall report on the accounts examined by them and on every balance sheet and every statement of income and expenditure laid before every ordinary general meeting and shall state whether in their opinion such accounts and balance sheets are properly drawn up so that such accounts and statements to the best of their knowledge and according to the explanations given to them and according to the books of the Company at the date of the balance sheet, give a true and fair view of the state of the Company's affairs.

81. The auditors shall at all times have a right of access to the books and accounts and vouchers of the Company and shall be entitled to require from the officers and Directors of the Company such information and explanations as they think necessary for the performance of their duties. The auditors shall be entitled to attend any ordinary general meeting of the Company.

#### ACTUARIES.

82. Subject to Clause 83 of these Articles an actuary or actuaries shall be appointed by the Directors and his or their duties shall be regulated in terms of the provisions of the Insurance Act.

83. The Actuaries who immediately prior to the coming into operation of the Act were the actuaries of the Existing Company, shall be the first actuaries of the Company and shall remain in office. The actuaries shall be disqualified from holding office or may be removed from office *mutatis mutandis* in terms of the provisions of the Insurance Act.

84. The remuneration of the actuaries shall be determined by the Directors.

#### ACTUARIAL VALUATION AND APPROPRIATION OF SURPLUS.

85. (a) The affairs of the Company shall be fully examined as at 30th September of each year. When such examination takes place an accurate actuarial valuation of the liability of the Company in respect of its policies as well as its other liabilities shall be made by the actuary of the Company. A valuation of the assets of the Company shall likewise be made. The actuary shall report to the Directors and indicate whether there is a surplus of assets over liabilities and what the amount of the surplus is.

- (b) The Directors shall decide how any surplus is to be appropriated. In the appropriation of any surplus the Directors may in their sole discretion use the full surplus or any part thereof to increase the reserves or any particular reserve or any fund existing for the welfare of the officers of the Company, or to create any new reserves or funds, or to divide the full surplus or any portion thereof among policy-holders in such manner as the Directors may decide. The portion of the surplus divided among policy-holders shall be allocated by way of reversionary bonuses which shall be added to policies or by way of cash bonuses paid in cash or in such other manner as the Directors may determine.

#### NOTICES.

86. Notice may be given by the Company to any member either by advertisement or personally or by sending it through the post in a letter addressed to such member at his address appearing in the registers of the Company as his address. A notice given by way of advertisement shall be inserted in the *Government Gazette* and in such newspapers as the Directors may from time to time determine.

87. Notice of every general meeting shall be given by advertisement as aforesaid.

88. Any notice, if given by post, shall be deemed to have been served at the time when the letter containing the same was posted, and any notice given by advertisement shall be deemed to have been given on the day upon which the advertisement was published in the *Government Gazette* and in proving the giving of the notice sent by post it shall be sufficient to prove that the letter containing the notice was properly addressed and put in the post.

89. A notice given by the Company may be written or printed or partly written and partly printed.

90. When a given number of days' notice or notice extending over any other period is required to be given, the day of service shall not be counted in such number of days or period.

91. Any notice, summons or other legal process may be served and shall be binding on the Company if it is served on or left with a Director or officer of the Company at its Head Office.

92. All public notices required to be given by advertisement in terms of the provisions of these Articles shall be published in Afrikaans and in English in the *Government Gazette* and in Afrikaans or in English in one or more newspapers.

#### MISCELLANEOUS.

93. The Directors may frame regulations for the better conduct and management of the affairs of the Company (including the holding of general meetings of the Company) provided that such regulations shall not be inconsistent with the Act or these Articles of Association.

94. The onus to prove membership or period of membership rests on the person claiming the same.

#### SEAL.

95. The Company may have a seal and such seal shall not be affixed to any instrument except by authority of a resolution of the Directors and in the presence of at least one Director and the Secretary or such other person as the Directors may appoint for such purpose and such Director and the Secretary or other person shall sign every instrument to which the seal of the Company is so affixed in their presence.

#### INDEMNITY OF DIRECTORS, MEMBERS AND SERVANTS.

96. Every Director, member, officer or servant of the Company shall be indemnified by the Company against all costs, charges, expenses, losses and liabilities incurred by him in carrying on the Company's business or in the discharge of his duties, and no Director, member or officer of the Company shall be liable for the acts or omissions of any other Director, member or officer by reason of his having joined in any receipt for money not received by him in person, or for any loss on account of defect of title to any property acquired by the Company, or on account of the insufficiency of any security in or upon which any moneys of the Company shall be invested, or for any loss incurred upon any ground whatever other than his own wilful acts or defaults.