

THE CONSTITUTION

December 2023

Association of International Life Offices

Secretariat: 1st Floor College Park House, South Frederick Street, Dublin 2, Ireland

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Constitution of the Association of International Life Offices

Passed by the Members of the Association in Members' Meeting on 18 November 1999. (Revised by the Members of the Association in Members' Meeting on 19 September 2003, the Extraordinary General Meeting "EGM" on 10 March 2005; Members' Meetings on 2 June 2008; 8 March 2012; and AGMs 17 October 2013; 20 October 2016, 20 October 2017; the EGM on 30 April 2019; the AGMs on 18 October 2019; the AGM on 21 October 2020 the AGM on 3 October 2023 and an EGM on 13 December 2023.)

1. Dictionary

Throughout this Constitution unless the context otherwise requires the following words and expressions shown in bold type in this Article mean:

Accountant for the purposes of Article 14 means one or more individuals possessing a recognised accountancy qualification.

Article an article of the Constitution.

Associate Member the status of a non-life insurance provider Member described in Article 4.3

Association and **AILO** the Association of International Life Offices.

Association Year a year ending on 30 June.

Clear days in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.

Constitution the Constitution of the Association for the time being.

Full Member the status of a life insurance provider Member described in Article 4.1.

Group means, in relation to a body corporate, any other body corporate which is a subsidiary of the same ultimate holding company.

Management Committee and **Committee** the Management Committee of the Association as described in Article 5.

Member a member of the Association from time to time as described in Article 4 including Full Members and Associate Members.

Members' Meeting a meeting to which all Members have been invited as described in Article 9.

Nominee the representative or representatives of a Member appointed by the Member in accordance with Article 4.6.

Secretariat the Secretariat of the Association for the time being.

Secretariat Support Staff any person appointed by the Committee to provide professional services under contract to the Association to assist in the better performance of the Association's objectives, including the Secretary for the time being, the Legal & Regulatory Executive for the time being, the Marketing Executive for the time being and any other person from time to time appointed to provide additional professional services under contract to the Association.

Sub-Committee any committee as referred to in Article 12.

Some other expressions are shown in bold type in the heading and Article 5.

In these Articles the masculine includes the feminine and the singular the plural and vice versa.

2. Name and Registered Address

The name of the Association is "ASSOCIATION OF INTERNATIONAL LIFE OFFICES" and the Association will be based in the Isle of Man.

3. Aims and Objectives

3.1 The aims and objectives of the Association are:

- (a) to facilitate the representation of Members' interests to legislators, regulators, and, insurance and other trade bodies to assist Members to develop their business.
- (b) to monitor proposed legislation, regulatory, taxation and other policy measures and seek to assist the development of appropriate policy, in relevant jurisdictions.
- (c) to encourage the integrity and professionalism of its Members and to promote these standards to governments, media and other channels.
- (d) to support Members to continue to meet consumer needs for insurance contracts through innovation and development of markets and so safeguard insurability.
- (e) to provide a forum through which Members can discuss matters of common interest, to provide statistical information and to encourage the development and sharing of knowledge, with a focus on education, ethical behaviour and diversity.

3.2 To achieve these objectives the Association will:

- (a) make representation to Governmental agencies, including the European co-legislators; regulators including the European regulators, the media, consumer bodies and opinion formers.
- (b) liaise with relevant bodies in the insurance and securities markets.
- (c) make available to Members and opinion formers statistical, analytical and other information about the international insurance market.
- (d) provide a mechanism by which Members can work together to further their knowledge and that of the staff of their organisations, for example in respect of particular market or statistical studies but at all times having regard to compliance with competition standards and legal requirements.
- (e) promote practices and procedures aimed at the prevention of money laundering, terrorist financing fraud and other criminal offences.
- (f) enhance the education and knowledge of the employees of members by providing educational materials and events.
- (g) promote standards of ethical behaviour and diversity practices for Members to embrace.

4. Membership

4.1 **Full Members** being companies, branches or business entities whose principal activity is the provision of life insurance and life insurance related investment products whether ongoing or by means of closed books of business.

4.2 Applications for Full Membership shall be considered by the Committee on behalf of the Association If after consideration of all relevant particulars of the applicant a two-thirds majority of the Committee agrees and there is no dissent then the applicant will be admitted to membership of the Association from the date of such agreement. Details of new members will be submitted to the next following Members' Meeting. Should the Committee be unable to reach a two-thirds majority decision or if there is any dissent then it may submit details of the prospective member or group member for consideration by Members at the next Members' meeting. The Members after consideration may admit the prospective member or group member to the Association from that date by a majority of not less than two-thirds of those present.

4.3 Members additionally may also include **Associate Members** being interested companies, partnerships, consultants and organisations that demonstrate an involvement with, or substantial interest in, the provision of life insurance and associated products and services on a cross border basis. These may be granted Associate Member status or such lesser status as may

be determined by the Committee, or by Members at a Members' Meeting as provided in Article 4.2 should the Committee not reach a two-thirds majority decision without dissent.

- 4.4 On admission a Member will pay to the Association the pro-rata amount of the annual subscription from the date of membership until the end of the Association Year of admission. On payment of the first year's pro-rata subscription a Member is entitled to all past AILO surveys and reports. The Member will notify the Association of its Nominee.
- 4.5 It is a condition of membership that a Member will supply, on request, statistical information relating to any survey of Members' business conducted by an independent body commissioned by the Association so to do. The information will be supplied within the time limits specified in the request and will not be available to any individual Member but will be held in confidence. Business statistics survey results may be published but in a form which preserves anonymity in order to ensure no breach of competition rules.
- 4.6 A Member shall appoint a Nominee, (and, if they wish, a deputy Nominee) by notice to the Secretariat. The Member's Nominee must be able to fully represent and commit the Member and can be a non-Exec Director (but not an Independent non-Exec Director). The Member may change such appointment(s) by notifying the Secretariat.
- 4.7 Members with Associate Status or lesser status:
- i) Will appoint a Nominee in the same manner described in Article 4.6.
 - ii) Will have no voting rights;
 - iii) Will only have access to such parts of the Association's website as the Committee determines.
 - iv) At the discretion of the Committee are eligible to have their Nominees as a member or Chair of any of the sub-Committees.

In all other respects will have all the same rights and responsibilities of other Members where appropriate.

5. The Committee of the Association

- 5.1 The Management **Committee** will be responsible for the day-to-day business of the Association. The Committee may exercise all such powers of the Association and carry out all such acts as may be exercised and done by the Association which are not required to be exercised by the Association in a Members' Meeting. The Committee will take all reasonable measures to enable the Association to achieve its aims and objectives including ensuring that the financial position of the Association is satisfactory. The Committee is subject nevertheless to the provisions of the Constitution and to such regulations (not being inconsistent with the provisions of the Constitution) as may be prescribed by the Association in a Members' Meeting. No regulations

made by the Association in a Members' Meeting will invalidate any prior act of the Committee, which would have been valid, if such regulations had not been made.

5.2 The Committee will consist of a minimum of six persons and a maximum of nine persons, each of whom (with the exception of (c) below) must be employed by an AILO Member, and will comprise the following:

- a) The **Chair** for the time being of the Association; and
- b) The **Deputy Chair** for the time being of the Association; and
- c) The **Chief Executive** (if any) of the Association; and
- d) The **Immediate Past Chair** of the Association; and
- e) The **Treasurer** for the time being of the Association; and
- f) Up to five other persons, the **Members' Representatives**, as elected by the Members of the Association in a Members' Meeting in accordance with these Articles. One of the Members' Representatives shall be an Associate Member appointed to represent the interests of the Associate Members.

5.3

(a) Should a member of the Committee other than the Chief Executive cease to be employed or otherwise represent the Full Member (including as a Non-Executive Director) for whom he or she is the appointed Nominee, then he or she will immediately cease to be a member of the Committee unless he or she becomes employed by or otherwise represents another Member (including as a Non-Executive Director), in which case the person may continue as a member of the Committee subject to ratification at the next following Members' Meeting. If the Chief Executive's contract for services is terminated, he will immediately cease to be a member of the Committee.

(b) The Member shall provide the Secretariat with due proof of appointment of a Non-Executive Director as Nominee, including that the appointment is not as an Independent Non-Executive Director.

5.4 A Chair will retain office until he or she resigns, or the Association confirms the appointment of a successor subject to paragraph 5.6 below.

5.5 The Treasurer will not perform any roles other than Treasurer and shall not be appointed as Chair or secretary.

5.5 The Committee to enable it to better perform its business will have power to:

- (a) co-opt Nominees being, sub-Committee chairmen and such other nominees as it considers appropriate. Co-opted members of the Committee shall be entitled to attend and so

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generally perform all the functions of a member of the Committee except that they will not be entitled to vote on any matter before the Committee.

(b) enable attendance at Committee meetings of persons within the Secretariat Support Staff and also the EU Liaison Officer.

5.6 The Immediate Past Chair of the Association shall serve for a term of up to two years. The Chair, Deputy Chair, Treasurer and Members' Representatives will be elected to serve for a term not exceeding two years, but they may be elected, in accordance with these Articles, to serve for three further terms not exceeding two years each. Any person other than the Chief Executive, who serves a continuous period of eight years on the Committee, will not be eligible for re-election until a period of one year after the expiration of that term.

5.7 The Committee will carry out its responsibilities and otherwise regulate its proceedings as it thinks fit, provided that at least two members of the Committee will constitute a quorum except as provided by Articles 4.2 and 4.3 above.

5.8 For the purpose of conducting the business and carrying out the objects of the Association the Committee will have power to rent accommodation, and to obtain professional assistance on such terms and at such remuneration as may from time to time seem to the Committee expedient within the budget agreed by Members in accordance with Article 14.3.

5.9 The Committee will have the power to appoint a Chief Executive of the Association and any Secretariat Support Staff. Any appointment will be ratified at the Members' Meeting immediately following the appointment. The terms, conditions and objectives of the Chief Executive and any Secretariat Support Staff will be set by the Committee subject to them meeting the Association's financial budget and the overall aims and objectives of the Association. The Chief Executive and any Secretariat Support Staff may be removed in accordance with the provisions of their respective contracts for services

6. Membership Rules

6.1 Members will adhere to the rules set out in paragraph 6.2 below and failure to do so will entitle the other Members to deprive the Member of membership in accordance with paragraph 8.2.

6.2 The rules referred to in paragraph 6.1 above are as follows:

- (a) Members will comply with the Constitution;
- (b) Members will not follow a course of conduct likely to bring the insurance industry or the Association into disrepute;
- (c) Members will abide by such other codes of conduct and statements of practice, not being in conflict with anti-competitive legislation and regulation, as are approved by the Members.

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7. Subscriptions

- 7.1 The Full Members in a Members' Meeting will from time to time determine the amount of annual subscriptions or any other amounts required to be paid by all types of Members to meet the expenses (including estimated future expenses) of the Association or to meet any deficit in any Association Year as shown in the approved accounts submitted to the Annual General Meeting.
- 7.2 The Treasurer of the Association will give written notice to every Member of the total amount payable by that Member and every Member will pay within 30 days of the giving of such notice.
- 7.3 The funds of the Association will consist of such monies as may from time to time be subscribed by the Members. Such funds will as far as practicable be deposited into a bank or banks as the Committee from time to time determines and be utilised as the Committee thinks fit within the constraints of Article 14.3 or as directed by the Association in a Members' Meeting. The funds will be applied towards the fulfilment of the aims and objectives of the Association.

8. Resignation and Deprivation of Membership

- 8.1 Any Member (not being in arrears for any contribution) may at any time resign membership by giving notice in writing to the Secretariat and such resignation will take immediate effect. The notice will be submitted to the next Members' Meeting and a minute thereof recorded.
- 8.2 Without prejudice to the right of the Association to deprive a Member of membership pursuant to Article 6 any Member may have their membership of the Association terminated by a resolution passed by a majority of not less than two-thirds of the votes of the Members present and voting at a Members' Meeting.
- 8.3 Resignation, termination or deprivation of membership will not release such affected Member from liability to pay any contribution incurred up to the date when such resignation, termination or deprivation of membership became effective and for these purposes liability to pay any contribution will be deemed to be incurred on the giving of notice thereof pursuant to Article 7.2.

9. Members' Meetings

- 9.1 An Annual General Meeting of the Association will be held in each calendar year at such time and place as may be fixed by the Committee which may also call for the holding of Extraordinary General Meetings of the Association. Meetings may be held remotely via electronic means if deemed appropriate.
- 9.2 Notice of date of meeting resolutions and vacancies on the Committee will be issued by the Secretariat.
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The Secretariat will send notice to each Member advising it of the date and place and of any resolutions, of which notice has been given, to be put before the Annual General Meeting (or any Extraordinary General Meeting) at least 14 days before such date. The notice will also invite Members to nominate a person or persons to any positions on the Committee which have fallen vacant and arrange for another Member to second the nomination. The Secretariat will issue a notice at least seven days before the date of the meeting advising Members of any nominations that have been received.

- 9.3 Members' Meetings of the Association will be held as often as the Committee deems fit provided that within ten days of receipt of a request from at least five Full Members, the Committee will require the Secretariat to give notice calling a Members' Meeting. At least 14 days' notice will be given to Members of the time and place of a Members' Meeting.
- 9.4 At least three Full Member Nominees present or represented at Members' Meetings will constitute a quorum.
- 9.5 A Member may be represented at any Members' Meeting by its Nominee or deputy Nominee. If a Nominee of a Full Member is not able to attend any Members' Meeting of the Association the Member may by notification from its Nominee, its Chief Executive or Secretary, appoint a proxy to attend and vote and the votes of such proxy on behalf of the Full Member will be accepted. Any act done on behalf of a Full Member will be deemed to have been done by the Member. An instrument of proxy will be in such form as may be required by the Committee.
- 9.6 For the purposes of this Article 9 the number of days mentioned includes the 48 hours referred to in Article 18.

10. Votes at Members' Meetings

Each Full Member present, whether by Nominee or by proxy, will be entitled at a Members' Meeting on a show of hands or, if attending the meeting remotely, via an electronic voting mechanism, to one vote and on a secret poll each Member will be entitled to one vote.

11. Proceedings at Members' Meetings

- 11.1 No business will be transacted at any Members' Meeting unless a quorum is present when the meeting proceeds to business.
- 11.2 If within one hour from the time appointed for the holding of a Members' Meeting a quorum is not present, the meeting will stand adjourned to such other day and at such other time and place as the Committee may determine, and if at such adjourned meeting a quorum is not present within one hour from the time appointed for holding the meeting the meeting will be dissolved.

- 11.3 The Chair will preside at all Members' Meetings of the Association. In the absence of the Chair, the Deputy Chair and in his absence a member of the Committee or such other person as those present decide by simple majority will be the Chair of the meeting.
- 11.4 The Chair of the meeting may, with consent of any Members' Meeting at which a quorum is present, and if so directed by the meeting, adjourn any meeting from time to time and from place to place as the meeting may determine. Whenever a meeting is adjourned to a later day, notice of the adjourned meeting will be given in the same manner as in the case of an original meeting as far as is reasonably practical and no Member will be entitled to any other notice of an adjournment or of the business to be transacted at an adjourned meeting. Except as provided by the Constitution no business can be transacted at any adjourned meeting other than the business that might properly have been transacted at the meeting from which the adjournment took place.
- 11.5 At all Members' Meetings a resolution (whether with or without previous notice) put to the vote of the meeting will be decided on a show of hands unless, before or upon the declaration of the result of the show of hands, a secret poll is demanded by the Chair of the meeting or by at least two Members present. Unless a poll is so demanded a declaration by the Chair of the meeting that a resolution has been carried, or has been carried unanimously or by a particular majority, or lost, or not carried by a particular majority, will be conclusive and an entry to that effect in the minute book of the Association will be conclusive evidence thereof without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- 11.6 A secret poll demanded in accordance with Article 11.5 by the Chair of the meeting or on a question of adjournment will be taken immediately. If such a poll is demanded on any other question it will be taken at such time and place and in such manner as the Chair of the meeting may direct and the result of the poll will be deemed to be a resolution of the meeting at which the poll was demanded.
- 11.7 Except as otherwise provided in these Articles, motions before any Members' Meeting requiring a change to the Constitution of the Association will be decided by a two-thirds majority of those voting. Any other motion will be decided by a simple majority. In the case that voting is indecisive, whether on a show of hands or on a secret poll, the Chair of the meeting at which the show of hands takes place or at which the poll is demanded will be entitled to a second or casting vote.

12. Sub-Committees

- 12.1 Sub-Committees may act for the Association within the aims and objectives of the Association.
- 12.2 The membership of, or participation in the activities of, any Sub-Committee; its aims and objectives; its funding; its powers to incur or commit to expenditure on behalf of the Association; and its responsibilities for reporting to Members, will be detailed in terms of reference as agreed and reviewed annually and proposed to the Committee.
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13. Indemnity

- 13.1 The Committee and any Committee which may be duly constituted and the members thereof while acting as a body or individually in the performance of their duties of such Committee or committee members will at all times be indemnified out of the funds, property or assets of the Association against the consequence of the performance of any act, deed, matter or thing done or omitted to be done by the aforesaid Committee or Committees (or their members so acting) in respect of or in connection with the business of the Association, provided that losses for which an individual is sought to be made liable by reason of his fraud or dishonesty will be excepted from the foregoing indemnity.
- 13.2 The Association will, subject to acceptable terms and conditions and the approval of a motion before a Members' Meeting, effect Professional Indemnity insurance cover in respect of the Committee and members of any Committees.

14. Accounts and Approval

- 14.1 The Committee will cause proper accounting records to be kept at the principal place of business of the Association. Members shall be entitled to see the annual financial statements within a reasonable time after the end of each financial year but in any event duly approved accounts for the previous Association Year will be submitted at the Annual General Meeting.
- 14.2 Each year before the Annual General Meeting the Committee will consider whether auditors should be appointed and if appropriate make a recommendation for the Members to consider at the Annual General Meeting.
- 14.3 The Committee will recommend to the Members Accountant(s) for consideration for appointment by the Members in the Annual General Meeting for a period up to the conclusion of the next Annual General Meeting to compile the financial statements. In the event of a casual vacancy meanwhile, the Committee until the conclusion of the next Annual General Meeting may appoint auditors.
- 14.4 The Committee will at least once a year, present to the Members in a Members' Meeting for consideration and approval a proposed budget of income and expenditure for the forthcoming financial period (normally the next Association Year).

15. Conflicts of Interest

- 15.1 All members of the Committee who are also employees or officers of Members may act in the interest of the relevant Member whilst carrying out their responsibilities as members of the Committee. However all members of the Committee, the Chief Executive and all Secretariat Support Staff will declare any conflicts of interest and shall refrain from voting on any matter considered by the Management Committee where he or she is conflicted.
- 15.2 The Association will maintain a Conflicts of Interest Register which details all conflicts or potential conflicts and how they have been managed. Before each Committee meeting members of the Committee will confirm that their entry in the Register is accurate and complete.

16. Dissolution

- 16.1 The Association may at anytime after the date hereof be dissolved by Resolution of the Association in a Members' Meeting passed by a majority of not less than two-thirds of the Members voting at such Members' Meeting. Such dissolution will take effect from the date on which the said Resolution is passed or such later date (if any) as the said Resolution may provide.
- 16.2 Following the passing of a Resolution pursuant to paragraph 15.1 above and notwithstanding the dissolution of the Association the Committee will be entitled to exercise all such powers and carry out all such acts as will be necessary for the proper and orderly winding-up of the business of the Association, including the power to require contributions from Members in accordance with paragraph 16.4.
- 16.3 If there remains a surplus of the assets of the Association after the discharge of all liabilities such surplus will be distributed to the Members in proportion to the amounts of the contributions paid by them respectively in the last preceding Association Year and otherwise at such time and in such manner as may be determined by the Committee.
- 16.4 The liability of Members of the Association for the indebtedness of the Association will be limited to the amount of any unpaid subscriptions or other debts due to the Association or the amount of any expenditure previously approved at a Members' Meeting.

17. Alterations

The Committee will review this Constitution and the Corporate Governance Manual at least biennially and if appropriate make recommendations for change to the Members. The Association in a Members' Meeting will have power to make such alterations in or additions to the Constitution as may from time to time appear expedient, provided that at least 14 days' notice of the proposed alterations or additions is given to the Members and that any resolution for such alterations be passed by a majority of not less than two-thirds of the Members voting at such Members' Meeting.

18. Binding Effect of Constitution

Acceptance of membership will constitute an agreement between the Member and the Association to be bound by and to comply with the Constitution (as altered, revoked or added to from time to time). Such agreement to have effect from the date of admission and to terminate upon such Member resigning or being deprived of membership (but without prejudice to the provisions of Article 8 and to any rights or claims which may have arisen or arise in respect of acts or omissions prior to such date).

19. Notices

A notice may be served on a Member by sending it through the post or by electronic means to the address of the Member as appearing in the records of the Association and any notice to the Association may be served by sending it through the post or by electronic means to the address of the Secretariat. A notice will be deemed to be given at the expiration of 48 hours after being posted or the electronic message sent.

20. Construction

If any question arises as to the construction or interpretation of the Constitution or as to any matter arising therefrom such question may be determined by the Committee and any such determination, whether express or implied from the proceedings of the Committee, will be conclusive and binding for all purposes.