

special Act relating to such life insurance company or in any by-law or by laws thereof.

3. Every such company shall, by by-law passed prior to the first day of October, one thousand nine hundred and ten, determine the number of directors to be elected by the shareholders and by the participating policyholders, respectively, as hereinafter provided, and the number of policyholders' directors so determined shall be at least one-third of the total number so to be elected. The company may, by the said by law, provide that all the directors, of both classes, shall be elected for one, two or three years. If the by-law provides for a two years' or three years' term of office, it may also provide either, (a) that the term of office shall be continuous for all directors of both classes, or (b) that a certain proportion, not less than one-third, of each class, shall retire annually. At the annual meeting held in one thousand nine hundred and eleven, and at each subsequent annual meeting, there shall be elected a board as determined by by-law aforesaid, but such board shall consist of not less than nine nor more than fifty directors all of whom shall be eligible for re-election. The shareholders directors shall be elected by the shareholders and the policyholders' directors shall be elected by the participating policyholders.

4. The manager of the company may be a director of the company, but no agent or paid officer other than the manager shall be eligible to be elected as a director. The words "paid officer" in this subsection do not include the president and vice-president, or the president and the first vice-president if more than one, elected under the provisions of subsection 9 of this section.

5. No person shall be a shareholders' director unless he holds in his own name and for his own use shares of the capital stock of the company to an amount of at least two thousand five hundred dollars, and has paid all calls due thereon and all liabilities incurred by him to the company.

6. At all general meetings of the company each shareholder present in person or represented by proxy who has paid all calls due upon his shares in the capital stock and all liabilities incurred by him to the company shall have one vote for each share held by him.

7. Every person whose life is insured under a participating policy or participating policies of the company for two thousand dollars or upwards, upon which no premiums are due, whether such person is a shareholder of the company or not, hereinafter called a participating policyholder, shall be a member of the company and be entitled to attend at all general meetings of the company, but participating policyholders as such shall not be entitled to vote for the election of shareholders' directors: Provided, however, that in case of liquidation of the company, the policyholder as such member shall not be entitled to share in the distribution of the assets or be liable to be placed on the list of contributories. Every holder of a participating policy or policies of the company for four thousand dollars or upwards, exclusive of bonus additions, upon which no premiums are due, who is not a shareholder, and who has paid premiums on such policy or policies for at least three full years, shall be eligible for election as a policyholders' director.

8. The policyholders' directors shall meet with the shareholders' directors and shall have a vote on all business matters.

9. The directors shall elect from among themselves a president and one vice-president or more.

10. At all meetings of directors for the transaction of business a majority shall be a quorum.

11. The company shall have a fixed time in each year for its annual meeting and such time shall be printed in prominent type on each renewal receipt issued by the company, and due notice also given at least fifteen days before in two or more daily newspapers published at or near the head office of the company.

12. At the annual meeting no shareholder shall vote for more than the number of shareholders' directors to be elected, and no policyholder shall vote for more than the number of policyholders' directors to be elected.

13. Every proxy representing a shareholder must be himself a shareholder and entitled to vote, and an instrument of proxy shall not be valid unless executed within three months of the date of the meeting at which it is to be used, and unless filed with the secretary at least ten days before such meeting, and shall be used only at such meeting or any adjournment thereof, and may be revoked at any time prior to such meeting.

Forfeiture and Renewal of Licenses.

99. Whenever satisfactory proof has been furnished to the Minister of any undisputed claim upon a company, arising on any policy of life insurance in Canada, remaining unpaid for the space of sixty days after becoming due, or of a disputed claim remaining unpaid after final judgment in regular course of law and tender of a legal valid discharge made to the agent of such company, the Minister may withdraw the license of such company.

100. Such license may be renewed if, within thirty days after such withdrawal, such undisputed claim or final judgment upon or against the company is paid and satisfied.

101. When the license of a company carrying on the business of life insurance has been withdrawn by the Minister under any of the foregoing sections of this Act, such license may be renewed, if, within thirty days after such withdrawal, the company complies with the requirements of this Act to the satisfaction of the Minister.

Companies ceasing to do business and Release of Deposits.

102. In the case of any company which, previously to the twenty-eighth day of April, one thousand eight hundred and seventy-seven, was licensed to transact the business of life insurance in Canada, and which ceased to transact such business before the thirty-first day of March, one thousand eight hundred and seventy-eight, having before that date given written notice to that effect to the Minister, the premiums due or to become due on policies actually issued before the last mentioned date may continue to be collected, and the claims arising thereon may be paid, and all business appertaining thereto may be transacted, and all proceedings appertaining thereto, either at law or in equity, may be continued or commenced and prosecuted.