

How profits
may be
divided.

12. The directors may, from time to time, set apart such proportion of the net profits as they deem safe and proper, for distribution as dividends or bonuses to shareholders and holders of participating policies, ascertaining the part thereof which has been derived from participating policies, and distinguishing such parts from the profits derived from other sources; and the holders of participating policies shall be entitled to share in that portion of the profits so set apart, which has been so distinguished as having been derived from participating policies, to the extent of not less than ninety per cent thereof; but no dividend or bonus shall, at any time, be declared or paid out of estimated profits, and the portion of such profits which remain undivided upon the declaration of a dividend shall never be less than one-fifth of the dividend declared.

Paid up
policies.

13. Whenever any holder of a policy issued after the passing of this Act, other than a term or natural premium policy, shall have paid three or more annual premiums thereon, and shall fail to pay any further premium, or shall desire to surrender the policy, the premiums paid shall not be forfeited, but he shall be entitled to receive a paid-up commuted policy for such sum as the directors may determine, such sum to be ascertained upon principles to be adopted by by-laws; or the directors may pay a sum as a cash surrender value in lieu of such paid-up commuted policy, provided he shall demand such paid-up commuted policy, or such cash payment, while the original policy is in force, or within six months after his failure to pay a premium thereon.

Rights of
holders of
participating
policies.

14. The Association may agree to give to holders of participating policies the right to attend and vote in person at all general meetings of the Association, and, if the Association so determines, then all persons who are actual holders of policies from the Association, whether such persons are shareholders of the Association or not, and who are by the terms of their policies entitled to participate in profits, and are referred to in this Act as holders of participating policies, shall be members of the Association, and, shall be entitled to attend and vote in person at all general meetings of the Association except at those called for the purpose of increasing the capital stock of the Association (and shall not be entitled to vote by way of confirmation or against the confirmation of any by-law for the increase, issue, allotment, or sale of capital stock of the Association); and every holder of a participating policy of the Association for a sum not less than one thousand dollars shall be entitled to one vote for each one thousand dollars in his policy.

Policy for
benefit of wife
or child.

2. In such event a husband holding a participating policy on his life for the benefit of his wife or children shall be deemed a member of the Association.

Repayment
of guarantee
fund.

15. The Association shall repay to the holders of the guarantee fund raised by the Association the amounts respectively paid in by them, or shall issue shares of the capital stock to such holders equal to the amounts so respectively paid in