

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
 5 dividend or bonus shall at any time be declared or paid out of estimated profits, and the portion of such profits which remains undivided upon the declaration of a dividend shall never be less than one-fifth of the dividend declared, and the directors shall not be obliged to allot such portion of profits to such
 10 holders of participating policies oftener than once in five years.

12. Whenever any holder of a policy other than a term or natural premium policy has paid three or more annual premiums thereon and fails to pay any further premium, or desires to surrender the policy, the premiums paid shall not
 15 be forfeited, but he shall be entitled to receive a paid up and commuted policy for such sum as the directors ascertain and determine, or to be paid in cash such sum as the directors fix as the surrender value of the policy, such sum to be ascertained upon principles to be adopted by by-law applicable generally
 20 to all such cases as may occur; provided he demands such paid up and 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.

Paid up policies issued in certain cases.

13. The Company may agree to give to holders of participating policies the right to attend and vote in person at all
 25 general meetings of the Company; and, if the Company so determines, all persons who are actual holders of policies from the Company, whether such persons are shareholders of the Company or not, and who are, by the terms of their policies, entitled to participate in profits and are referred to in this
 30 Act as holders of participating policies, shall be members of the Company and be entitled to attend and vote in person at all general meetings of the Company (except at meetings called for the purpose of increasing the capital stock of the
 35 Company, 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 Company); and every holder of a participating policy of the Company for a sum not less than one thousand dollars shall be entitled to one
 40 vote for each one thousand dollars in his policy.

Rights of participating policy holders.

2. A husband or father holding a participating policy on his life for the benefit of his wife or children shall be deemed a member of the Company.

Husband and father.

14. The directors may, during any current dividend period,
 45 charge the holders respectively of participating policies with losses to the extent to which they have been credited with profits during such dividend period if the losses require it, and retain the amount so charged, out of such profits, or such profits as are declared as such, and credited to such holders of
 50 participating policies at any time; but the holders of policies shall not, as such, be liable to any other or greater extent than is expressed by the terms of their policies.

Participating policy holders may be charged with losses.