

thereon into the funds of the Company, the Company may make insurance for premiums payable wholly in cash, but no insurance on the wholly cash principle shall make the insured liable to contribute or pay any sum to the Company or to its funds, or to any other member thereof, beyond the cash premium agreed upon, or give him any right to participate in the profits or surplus funds of the Company. 5

Application of profits.

**6.** The net annual profits and gains of the Company (not including therein any premium notes or undertakings) shall be applied, in the first place, to pay a dividend on the share capital, and the surplus (if any) shall be applied in the manner provided by the by-laws of the Company. 10

Qualification of directors.

**7.** After the share capital has been subscribed as aforesaid at least two-thirds of the persons to be elected directors of the Company, in addition to the qualifications required by section 13 of chapter 40 of the statutes of 1878, shall be holders of shares of the capital stock to the amount of one thousand dollars upon which all calls have been duly paid, and the other one-third of the directors to be elected shall possess at least the qualifications required by the said section 13. 15 20

Directors may make by-laws.

**8.** The board of directors of the Company may make such by-laws subject to the provisions of this Act and not inconsistent with, or contrary to law, as may be necessary to carry out the objects and intentions of this Act, and to give effect to the provisions thereof. 25

Ownership of Company's property.

**9.** In the event of a share or stock capital being raised, as provided by this Act, the Company shall thereupon be composed of its policy holders and of the subscribers to the share or stock capital to whom an allotment of one or more shares shall be made, as provided by section 2 of this Act, and in such an event the policy holders other than those on the wholly cash premium plan and the subscribers to the share or stock capital aforesaid shall own all the property and affairs of the Company. 30

Votes of shareholders.

**10.** In the event of a share or stock capital being raised, as provided by this Act, each shareholder of such share or stock capital shall be entitled at all meetings of the Company to one vote for each share held by him in the share or stock capital; provided that no shareholder and no person representing a shareholder shall be entitled at any of the said meetings to more than thirty votes. 35 40

Proviso.

Directors to be members of Company and policy holders.

**11.** In the event of a share or stock capital being raised, as provided by this Act, the directors of the Company shall be members of the Company and insured therein for the time they hold office to the amount of eight hundred dollars at least, and two-thirds of the directors shall have the further qualification mentioned in section 7 of this Act. 45

Liability to creditors.

**12.** Each shareholder of such share or stock capital, until the whole of his shares of stock has been paid up, shall be individually liable to the creditors of the Company to an amount 50