

CAP. XXXVI

An Act to amend the Joint Stock Companies' Incorporation Act

[Assented to 15th January, 1898]

HER MAJESTY, by and with the advice and consent of the Legislature of Quebec, enacts as follows :

1. The following article is added after article 4717 of the Revised Statutes :

Art. added
after R. S.,
4717.

"4717a. The directors may also make by-laws for issuing any part of the capital stock as preferred stock, giving the same such preference as to dividends and otherwise over ordinary stock as may be declared by the by-law.

By-laws providing for issue of preferred stock authorized.

The by-law may provide that the holders of such shares shall have the right to elect a certain number of the board of directors and may give them any other control over the affairs of the company.

No such by-law shall have any effect, until it has been unanimously sanctioned in writing by the shareholders or has been sanctioned by the unanimous vote of all the shareholders, which shareholders shall be present in person or by proxy at a special general meeting of the company called for considering the same.

If, however, the by-law be sanctioned by three fourths in value of the shareholders, it comes into force only after it has been approved by the Lieutenant-Governor in Council. Such approval shall not be given until after a notice of one month has been sent by registered letter to all the shareholders.

Holders of such preferred shares shall be shareholders within the meaning of this act, and shall in all respects possess the rights and be subject to the liabilities of shareholders, saving the preference and rights given by any such by-law.

Nothing in this article contained, or done in pursuance thereof, shall affect the rights of creditors of any company."