

19. All contracts, promissory notes, bills of exchange, and engagements, made on behalf of the company by the directors, officers, agents or servants thereof, in accordance with their powers, under the by-laws, or by vote of the company, shall be binding upon the company, and in no case need the seal of the company be affixed thereto, nor shall such directors, officers, agents or servants, thereby become individually liable to any third party therefor; but the company shall issue no bank note or note to circulate as money.

Company bound by the acts of their servants.

20. Any description of action may be prosecuted and maintained between the company and any person or corporation whatever, whether he, she, or they, be shareholders or otherwise, and no shareholder, not being a party to such action, shall be incompetent as a witness therein.

Prosecutions.

Competent witnesses.

21. The company may commence operations and exercise the powers hereby granted, so soon as two hundred thousand dollars of the capital stock shall be subscribed, and ten per centum thereon paid up; and any stock paid in part or in full, which may have been taken by parties conveying lands, mining rights, privileges or easements, or any real or personal property to the company, in part payment or in full, for such lands, mining rights, privileges, easements, or real or personal property, shall be held to have been so paid in cash, for the purposes of this section, and of the eleventh section of this act.

Commencement of operations.

C A P . L V I .

An Act to enable the Graphic Company to issue Preferential Stock.

[Assented to 28th January, 1874.]

WHEREAS the Graphic Company, duly incorporated as such by letters patent, under the great seal of the province of Quebec, bearing date the fifth day of October, in the year of Our Lord, one thousand eight hundred and seventy-two, have, by their petition, prayed to be permitted to increase their capital stock by the issue of two thousand five hundred preferential shares, representing two hundred and fifty thousand dollars, current money of Canada, and it is expedient to grant their prayer; Therefore, Her Majesty, by and with the advice and consent of the Legislature of Quebec, enacts as follows:

Preamble.

1. Immediately after the coming into force of this act, the said company shall have power to increase their capital

Increase of the capital stock.

stock, by the issue of two thousand five hundred preferential shares of one hundred dollars currency each, for which purpose a stock-book shall be opened in the office of the said company.

Notice of the opening of stock-books, by the secretary to shareholders during 14 days.

2. Of the opening of such stock-book, notice shall be given to each shareholder by the secretary of the said company, by circular bearing the ordinary last known address of such shareholder, or, in case of his absence, of his duly authorized agent, deposited and registered in the post-office, in the city of Montreal, and by advertisement, during fourteen consecutive days, in two daily English newspapers and in two daily French newspapers, published in the city of Montreal.

Subscriptions during such 14 days.

3. During the said period of fourteen days, each shareholder of the said company shall be entitled to subscribe for such preferential shares to the extent of one preferential share for every two shares held by him in the original capital stock of the said company.

Subscriptions after such 14 days.

4. After the expiration of the said period of fourteen days, it shall be competent to any body to subscribe for any portion of the said preferential shares which may not then be subscribed for by shareholders of the said company.

First preference stock.

5. The said preferential shares shall be called "First Preference Stock," and shall bear interest, on all such portions thereof as shall be actually paid up, from the date of payment. And calls on such "First Preference Stock" may be made, by the directors of the said company, from time to time, in their discretion.

Subscriber who is a shareholder.

6. Each subscriber for such preferential shares, who is a shareholder of the original capital stock of the company, shall, whether he subscribes for his full share of such preferential stock or for less or for more, be entitled to have one share of such original capital stock held by him, for each preferential share subscribed for by him, treated as a second preferential share. And each shareholder who may subscribe for preferential shares to an amount greater than his shares in the said original capital stock, and each subscriber for preferential shares not a holder of shares of such original capital stock, shall be permitted to acquire by transfer from preferential shareholders who are holders of shares of the said original capital stock, one share of such original capital stock for each preferential share held by them, and each such share, so acquired by transfer, shall be treated as a second preferential share.

7. All such second preferential shares aforesaid shall be called "Second Preference Stock," and shall bear interest from the date of their registration as "Second Preference Stock."

Second preference stock.

8. During the period of one year from the date of the coming into force of this act, no shares of "First Preference Stock" shall be transferred without a corresponding number of shares of "Second Preference Stock." And at any time after the expiration of such year, the "First Preference Stock" and the "Second Preference Stock" may, with the consent of the shareholders of such "First Preference Stock," be consolidated; in which event, both classes of stock will thereafter be called "First Preference Stock."

Transfer of the stock, &c.

9. Shares of preference stock, of either class aforesaid, shall be transferable only in the manner and on the conditions provided by the by-laws of the said company, with respect to the transfer of shares of the original stock of the company.

Manner and conditions of transfer.

10. The net earnings of the said company, after the payment of all their outstanding liabilities, shall be applied firstly, towards the payment of the interest aforesaid on the "First Preference Stock;" secondly, towards the payment of the interest aforesaid on the "Second Preference Stock;" thirdly, towards the payment of a ten per cent per annum dividend on the original capital stock of the said company, not converted into "Second Preference Stock;" and any surplus remaining shall be applied, in the discretion of the board of directors, towards the formation of a fund to be called the rest fund, and towards payment of an additional interest or dividend on the "First Preference Stock," "Second Preference Stock," and original capital stock not converted into "Second Preference Stock," equally *pro rata* on the amount paid up on each such stock.

Earnings; use thereof.

11. In case it should become necessary to wind up the affairs of the said company, the shareholders of the "First Preference Stock" shall be paid in preference to the shareholders of the "Second Preference Stock," and the latter shall be paid in preference to the shareholders of the original capital stock of the said company not converted into "Second Preference Stock."

Case of the winding up of the company's business.

12. This act shall come into force on the day upon which it shall be sanctioned.

Coming into force of this act.