

Issue of preferential stock.

15. The directors may in addition to its ordinary capital stock issue preferential or preferred stock to any amount not exceeding twenty-five thousand dollars, which stock shall take priority as an obligation of the Company and security upon its assets next after any mortgages theretofore created on the property of the Company, and the holders of such stock shall also have all the rights and privileges of holders of the ordinary stock. 5

With consent of shareholders.

16. No such preferential or preferred stock shall be issued until the authority of the shareholders of the Company has been obtained for that purpose at a special general meeting of the shareholders called for that purpose and attended by shareholders in person or represented by proxy who represent at least two-thirds in value of the subscribed stock of the Company and have paid all calls due upon their stock, and the said stock when issued may be pledged or sold by the directors for the purpose of raising money or securing advances of money for any of the objects of the Company. 10 15

Liability of shareholders.

17. No shareholder shall as such be liable for any claim, engagement or loss or payment, or for any injury, transaction, matter or thing relating to or connected with the Company, or the liabilities, acts or defaults of the Company, beyond the sum, if any, remaining due and unpaid on the shares subscribed for or held by him in the stock of the Company. 20 25

Borrowing powers.

18. The directors may when thereto authorized by the resolution of the shareholders at any meeting specially called for such purpose, and attended by shareholders in person or represented by proxy, who represent at least two-thirds in value of the subscribed stock of the Company and who have paid all calls due upon their stock, borrow money on behalf of the Company, at such rates of interest and upon such terms as they may, under such resolution determine; and 30

Mortgages.

to effect such loan the directors may authorize the managing director of the Company, or the president or any two of the directors to make and execute mortgages, issue, grant and consent to bottomry or other bonds, or other instruments which are necessary, and to that end charge such property of the Company as they are by such resolution authorized to charge, by way of pledge, mortgage, or hypothec, and may assign, transfer or deposit any of the documents, title deeds, muniments, securities or property of the Company, and either with or without power of sale, or other special provisions, as the directors under the authority conferred at such meeting deem expedient: 35 40 45

Amount limited.

Provided, that the aggregate of the sum or sums borrowed on bonds under the authority of this section issued shall not, at any time, exceed half the amount of the paid up capital stock of the Company; and no lender on or purchaser of bonds so issued by the Company shall be bound to enquire into the occasion of such a loan, or into the validity of any resolution authorizing the same, or the purpose for which such loan is wanted. 50