

Contracts, &c. when to be binding on company. **40.** Every contract, agreement, engagement or bargain made, and every bill of exchange drawn, accepted or endorsed, and every promissory note and cheque made, drawn or endorsed on behalf of the Company, by any agent, officer or servant of the Company, in general accordance with his powers as such under the By-laws of the Company, shall be binding upon the Company; and in no case shall it be necessary to have the seal of the Company affixed to any such contract, agreement, engagement, bargain, bill of exchange, promissory note or cheque, or to prove that the same was made, drawn, accepted or endorsed, as the case may be, in pursuance of any By-law, or special vote or order; nor shall the party so acting as agent, officer or servant of the Company, be thereby subjected individually to any liability whatsoever to any third party, therefor; provided always, that nothing in this Act shall be construed to authorize the Company to issue any note payable to the bearer thereof, or any promissory note intended to be circulated as money, or as the note of a Bank, or to engage in the business of banking or insurance.

Proviso.

Application of funds limited. **41.** No Company shall use any of its funds in the purchase of stock in any other Corporation.

Liability of shareholders.

42. Each Shareholder, until the whole amount of his stock has been paid up, shall be individually liable to the creditors of the Company, to an amount equal to that not paid up thereon; but shall not be liable to an action therefor by any creditor, before an execution against the Company has been returned unsatisfied in whole or in part; and the amount due on such execution, shall be the amount recoverable with costs, against such Shareholder.

Limited to amount of stock.

43. The Shareholders of the Company shall not as such be held responsible for any act, default, or liability whatsoever, of the Company, or for any engagement, claim, payment, loss, injury, transaction, matter or thing whatsoever, relating to or connected with the Company, beyond the amount of their respective shares in the capital stock thereof.

Trustees, &c., not personally liable.

44. No person holding stock in the Company as an executor, administrator, tutor, curator, guardian or trustee, shall be personally subject to liability as a Shareholder; but the estates and funds in the hands of such person, shall be liable in like manner, and to the same extent, as the testator, or intestate, or the minor, ward or interdicted person, or the person interested in such trust fund, would be, if living and competent to act and holding such stock in his own name; and no person holding such stock as collateral security, shall be personally subject to such liability; but the person pledging such stock shall be considered as holding the same, and shall be liable as a Shareholder accordingly.

But entitled to vote.

45. Every such executor, administrator, tutor, curator, guardian, or trustee, shall represent the stock in his hands, at all meetings of the Company, and may vote accordingly as a Shareholder; and every person who pledges his stock may nevertheless represent the same at all such meetings, and may vote accordingly as a Shareholder.

In case Directors declare a dividend when Company is insolvent, &c.

46. If the Directors of the Company declare and pay any dividend when the Company is insolvent, or any dividend the payment of which renders the Company insolvent, or diminishes the capital stock thereof, they shall be jointly and severally liable, as well to the Company as to the individual Shareholders and creditors thereof, for all the debts of the Company then existing, and for all thereafter contracted during their continuance in office, respectively; but if any Director present