

allied, or related to any of the said directors or shareholders, or other persons interested in the said Company or not, and that the number of calls in arrears have been made.

17. The shares of the said Company shall be assignable and transferable according to such rules as the board of directors shall appoint and establish, and such transfers shall be recognized and acknowledged by the Company, only after they shall have been entered in the books of the Company: and no shareholder indebted to the Company shall be permitted to make a transfer or receive a dividend until his debt is paid, or security to the satisfaction of the directors be given to them that it will be paid; and if any shares are sold under execution the Company shall have the first privilege or lien upon the proceeds thereof for the payment of any debt due to the Company.

Shares, how transferable.

18. No separate statement shall be required for the part of year following the day on which the Company shall have issued their first policy, but after that period an annual detailed statement shall be made which shall exhibit a full and unreserved statement of the affairs of the Company, of their funds, property and securities, the amount in real estate, bonds and mortgages, notes and other securities, therefor, public debt or other stock, and the amount of debt due to and from the Company, together with a fair estimate of the net profits of the Company not before divided, up to the first day of February in each year, and allowing for any previous or probable deficiencies which said annual statement shall be submitted to the annual general meeting aforesaid.

Annual statement of affairs.

19. After the submission of the said statement and approval thereof by the shareholders at the annual general meeting, or any subsequent adjourned or special general meeting, the board of directors shall declare such dividend in favor of 'stockholders' but of the net profits of the preceding period as they shall think fit, which dividend shall be paid in cash.

Declaration of Dividends.

20. Shareholders shall not be held liable for any claim, engagement, loss or payment whatsoever for or by reason of the liabilities of the said Company of what nature soever, beyond the amount of the share or shares which each may respectively hold remaining unpaid and after payment to the said Company of the full amount of such share or shares such shareholders shall not be liable for any further sum of money whatever.

Liability of Shareholders.

21. All shares in the Company shall be deemed personal property.

Shares personal property

22. No dividend shall be declared or paid out of the capital stock of the Company, nor shall any dividend out of the said net profits be declared or paid unless the said capital shall be unimpaired.

As to Dividend.

23. The operations and business of the said Company shall be carried on at such place in the city of Montreal as the directors shall direct, but agencies with or without branch boards of directors may be established elsewhere in Canada as the shareholders shall deem expedient, and such branch board of directors shall consist of not less than three, who shall be shareholders to the extent of at least ten shares, or one thousand dollars each, and shall be appointed by the board of directors.

Seat of operations.

24. Suits against the Company may be prosecuted or maintained by any shareholder therein, and no shareholder of the Company not being in his individual capacity a party to such suit shall be incompetent as a witness in suit and legal proceedings by or against the Company.

Suits against Company.