

provided, and may be adopted by a vote of the majority of the members present at such meeting, and may from time to time be altered and amended by the Directors, under the sanction of the majority of the members present at any meeting called for such purpose; and all such by-laws so legally made in accordance with the objects of this Act, and not inconsistent with law, shall be legal and binding, until altered, amended or repealed.

11. The first Board of Directors of the Company shall consist of not less than seven nor more than twenty-one Directors, five of whom shall form a quorum, and one of such Directors shall be elected President by the other Directors. Such of the said petitioners hereinbefore named, or other persons necessary to complete the Board, who shall qualify themselves to act as Directors by a subscription of at least one thousand dollars to the guarantee fund (hereinafter provided for), and who shall apply for a policy of insurance in the Company, and subscribe to a declaration to that effect in a sum of at least two thousand dollars on a life policy, or of at least five thousand dollars on a guarantee or accident policy, shall be entitled to act as Directors of the Company on the first Board at the head office, and to continue to act as such for three years immediately subsequent to the organization of the Company, and shall prepare the by-laws for the management of the Company, as hereinbefore provided. The last named of the said petitioners shall, on qualification as a Director as aforesaid, be entitled to act as Managing Director of the Company for three years, and shall, under the direction of the Board, and on such terms as they may appoint, manage the affairs of the Company. The Board of Directors shall have the right to appoint all the officers of the Company, and to appoint sub-boards and agents, and the same to remove and others in their place to nominate, in whatever manner a vacancy may arise.

First Board of Directors.

12. A general meeting of the Company shall be called once in each year, as the Directors may appoint, after not less than ten days' notice in one or more newspapers published in the city of Montreal; at which meeting a statement of the affairs of the Company for the past year shall be submitted. Special general meetings may at any time be called by the Directors, specifying in the notice the object of such meeting.

Annual meeting.

Annual statements.

Special meetings.

13. After the term of three years for which the first Board of Directors are appointed shall have expired, one-third of the Directors shall retire annually, by ballot among themselves, and the election of their successors shall be held at the annual meeting; nothing, however, shall prevent the retiring Directors from being re-elected.

Retiring Directors.

14. The Company shall be authorized to establish a guarantee fund of not less than fifty thousand dollars in each or all of the said departments, and to pay to the subscribers thereof, out of the profits of such department to which the subscription is made applicable, not more than six per cent interest per annum on the amount actually paid up, together with not more than ten per cent per annum of the profits, and to repay the principal in instalments of not less than twenty-five per cent. to the subscribers, out of the profits of the Company, so soon as the Company shall

Guarantee Fund.