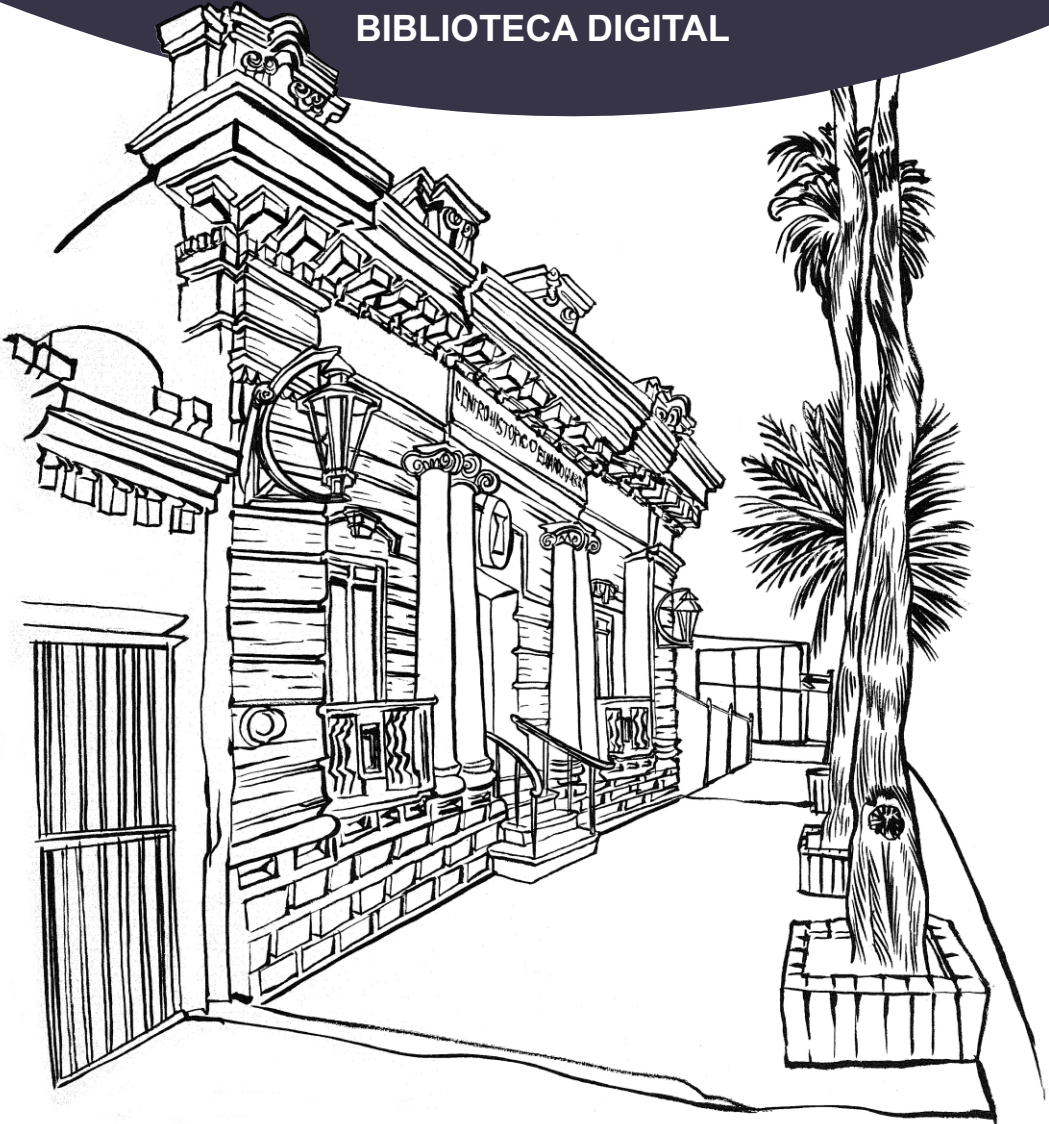




# ARCHIVO MUNICIPAL DE TORREÓN



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# By-Laws

OF THE

## **Compania Agricola, Industrial, Colonizadora, Limitada del Tlahualilo, Sociedad Anonima.**

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*Adopted August 12th, 1903.*

# By-Laws

OF THE

## Compania Agricola, Industrial, Colonizadora, Limitada del Tlahualilo, Sociedad Anonima.

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*Adopted August 12th, 1903.*

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### CHAPTER I.

#### SHARES OF STOCK.

**Article 1.** The 2,600 shares actually issued, and which represent the capital stock, may be either "to order" or "to bearer," at the election of the holder thereof.

**Article 2.** Hereafter shareholders shall have the right at all times to convert "to order" shares into "bearer" shares, and *vice versa*.

**Article 3.** If in the exercise of the rights secured to them by the preceding Articles, shareholders should desire to convert their "bearer" shares into shares "to order," they shall present the corresponding certificates to the office of the Secretary of the Company, in order that they may be registered, in accordance with Article 180 of the Commercial Code. Upon each certificate a note of the following tenor, signed by two Directors, shall be made:

"According to the instrument executed on (date of execution),  
"before the Notary (name of the Notary), this share has been con-  
"verted into a share 'to order,' and recorded as the property of (name  
"of owner)."

**Article 4.** If, on the contrary, the holder of shares "to order" should desire to convert the same into "bearer" shares, he shall present the corresponding certificates at the office of the Secretary of the Company; the registry thereof shall be cancelled, a proper entry to that effect being made in the proper book in the form which the Board of Directors may determine, and a note of the following tenor, signed by two Directors, shall be made on the certificate:

"According to the instrument executed on (date of execution),  
"before the Notary (name of the Notary), this share has been con-  
"verted into a 'bearer' share, and the register entry, by virtue of  
"which it was registered as a share 'to order,' has been cancelled."

**Article 5.** The Company shall keep the stock registry referred to in Article 180 of the Commercial Code. Transfer of shares shall be made in accordance with Article 181 of said Code, and the Company shall not recognise as owners of shares "to order" any persons except those whose names appear in said registry as holders, and to the extent of shares appearing in the entry.

**Article 6.** In case of the loss, robbery, or destruction of a certificate of stock, the Board of Directors shall in its discretion have the right to issue a duplicate. To obtain such duplicate, the party interested shall present a petition, which shall contain a "protest" (in legal effect, an affidavit), stating that he has not transferred the share to any third party, and he shall accompany the same by evidence sufficient in the judgment of the Board to prove the truth of the facts alleged. If the Board should deem the proofs presented sufficient, it may issue the duplicate, provided the shareholder interested shall, to the satisfaction of the Board, indemnify the Company against any subsequent claim.

If the Board should determine not to issue the duplicate, then, no matter what the reason for such decision, the interested party and the Company shall assume towards each other the legal positions to which they may respectively be entitled according to the laws then in force.

In case a duplicate shall be issued, the fact that it is such duplicate shall be made to appear upon the certificate.

**Article 7.** In the conveyance of shares, which by sale, transfer or otherwise pass from the holder thereof to a new owner, the mere fact of acquiring the same shall constitute a full acceptance by such new owner of the Articles of Incorporation, of the By-Laws, and of the decisions of the general meetings of shareholders, and shall also be construed as an approval by said new owner of whatever business and operations the Company may have effected.

**Article 8.** The certificates of stock actually issued, which are authenticated by the signatures of the persons who, at the time of their issue, constituted the Board of Directors, and which are stamped with the seal of the Company, shall continue in full force and effect. Such as may hereafter be issued, be it in exchange of those now outstanding, or as the result of a new issue, shall comply in all respects with the requirements of Article 179 of the Commercial Code, and shall be signed by the Secretary, and by a member of the Board of Directors, and shall, in addition thereto, bear the seal of the Company.

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## CHAPTER II.

### SHAREHOLDERS' MEETINGS.

**Article 9.** The general regular meeting of shareholders shall be held each year in the months of July, August or September, and shall consider the various matters enumerated in Article 202 of the Commercial Code.

**Article 10.** The call for the regular and special general meetings of shareholders shall be made in accordance with the provisions of Articles 203 and 204 of the Commercial Code, and the corresponding notice shall be published in the "Diario Oficial" of the Government at least five days before. If the request for the calling of a special meeting should come from the shareholders referred to in Article 209 of the Commercial Code, the notice shall be published at least one month before.

**Article 11.** For each share the holder thereof shall be entitled to one vote, no matter how many shares he may hold, and all resolutions shall be taken by a majority of the shares present.

**Article 12.** The unanimous vote of two-thirds of all the shares issued shall be necessary for the adoption of any resolution regarding the conveyance, mortgaging, or imposition of liens upon the real property of the Company, as also regarding those matters which are referred to in Article 206 of the Commercial Code.

**Article 13.** For the purposes of Article 210 of the Commercial Code, a proxy signed by the Shareholder and two witnesses shall be sufficient.

**Article 14.** The President of the Company shall preside at all shareholders' meetings, and in his absence the shareholders present may designate the person to preside. The Secretary of the Board of Directors shall act as Secretary at such meetings, and in his absence the shareholders present may designate another person to act as such Secretary.

**Article 15.** The shareholders' meeting shall appoint from their own number one or more tellers.

**Article 16.** The minutes of the general shareholders' meetings shall be attested by the signatures of the persons who acted at such meeting as President and Secretary. Copies of such minutes shall be authenticated by the office of the Secretary of the Board.

**Article 17.** In order to have the right to participate in the general shareholders' meetings, owners of "bearer" shares shall deposit their certificates in the treasury of the Company at least three days prior to the date fixed for the meeting. The treasury shall deliver to them a receipt to their personal order, stating how many shares had been so deposited, and the numbers of said shares. The presentation of this receipt shall authorize the party interested to enter the meeting. Said shares shall not be returned until after said general shareholders' meeting has been held, and then only in exchange for the receipt issued. Owners of shares "to order" may attend general meetings of shareholders without the necessity of previously depositing their certificates.

## CHAPTER III.

## BOARD OF DIRECTORS.

**Article 18.** The management of the Company shall be in the hands of a General Director, and of a Board of Directors, composed of not less than ten nor more than fifteen shareholders, proprietary members, who shall be elected annually by the regular general meeting of shareholders, and who shall hold their offices until the election of their successors.

**Article 19.** The Company reserves the right to remove, through the medium of its general shareholders' meetings, freely, and without assignment of cause, any of the members of the Board which it may have elected.

**Article 20.** Members of the Board may resign their office. The resignation shall be presented to the Board of Directors; said Board shall have the right to accept the same, and to itself fill the vacancy by the appointment of a successor, said successor to continue in office until there shall be a new election. The Board of Directors shall have like power in cases where the vacancy has been caused by the death of a member, or otherwise.

**Article 21.** The regular meetings shall be held monthly, upon the date to be fixed by the Board itself, and special meetings may be held whenever the President of the Company shall consider it necessary. The notice to be given for the holding of meetings shall be determined by the Board itself.

**Article 22.** The presence of four Directors shall constitute a quorum, and the meetings of the Board may be held in the City of Mexico, in any other part of the Republic, or in foreign countries, as may be determined by the President of the Company. No resolution of the Board adopted at a meeting thereof shall be invalidated for any reason whatsoever, provided the same shall be within the powers of the Board to adopt, and provided it shall have been supported by three Directors, in cases where said three constitute a majority of those present.

**Article 23.** Whenever meetings of the Board are held outside of the City of Mexico, it shall be the duty of the Board to send to the office of the Secretary of the Company, in said City of Mexico, a copy of the corresponding minutes, certified by the person who acted as Secretary, in order that the same may be placed on file.

**Article 24.** The minutes of the Board of Directors shall be attested by the signatures of the persons who acted as President and Secretary thereof.

**Article 25.** The Board shall appoint from its own members an Executive Committee, composed of the President and of at least four Directors, reserving to itself the right to change the personnel of said Committee as it may deem advisable.

**Article 26.** Three members of the Committee shall constitute a quorum, and the meetings of said Committee may be held in Mexico, or in foreign countries, as may be determined by the President of the Company. The meetings of the Committee shall be held at such day and hour as may be determined or approved by the President of the Company. The Committee shall keep minutes of all its meetings, attested by two of the members who may have been present, and it shall be the duty of the Committee to send a copy thereof, certified by one of its members, to the office of the Secretary of the Company in the City of Mexico for the Company's files.

**Article 27.** Except when the Board of Directors shall be in session, the Executive Committee shall have all the powers and faculties which, according to the Commercial Code, belong to the Board itself. It shall make a monthly report of its operations to the Board, presenting at the same time a copy of the minutes of the meetings which it may have held.

**Article 28.** The Board of Directors, or the Executive Committee, when acting, shall have full power to appoint such Sub-Committees as they may deem advisable; to fix their powers, and to designate their objects. Of all of such Committees the President shall be an *ex officio* member.

**Article 29.** If the President should be absent from any meeting of the Board of Directors, or of the Executive Committee, he shall have power to designate the person who shall act in his place. In default of this the members present may appoint from their own number the person who shall preside over the meeting.

**Article 30.** For the purposes of Article 193 of the Commercial Code, each Director shall deposit with the Company one share as security for his management.

**Article 31.** The Board or the Executive Committee, when acting, shall always have the power to designate the person or persons who shall sign contracts, documents and instruments of every kind, in representation of the Company.

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#### CHAPTER IV.

### OF THE OFFICERS; OF THE PRESIDENT AND GENERAL DIRECTOR.

**Article 32.** The President shall be appointed annually by the Board of Directors from among its own members, and as such officer shall preside at the general meetings of shareholders, and at the meetings of the Board of Directors and of the Executive Committee,

**Article 33.** The President shall also be General Director and Manager of the Company, and as such shall have the following powers:—He shall be the representative of the Company in all judicial and extra-judicial matters, shall have the right to sign the Company's name, shall direct the business of the Company, and shall execute the resolutions of the Board of Directors or of the Executive Committee. He shall make the purchases and sales, shall freely appoint and remove the employees of the Company, and in all cases not provided for by these By-Laws, shall exercise the powers of a general representative, clothed with special power for the particular matter in hand.

**Article 34.** The President, as General Director, shall have the power to appoint one or more persons as his assistants, and designate their duties and obligations. The superintendents at the plantations, and those who may be especially commissioned to effect the ordinary sales and purchases, shall be appointed by the General Director, and shall be regarded as his assistants.

**Article 35.** At least once a month the General Director shall present to the Board of Directors, or to the Executive Committee, when acting, for their approval, a report containing an account of the operations and business which he may have transacted.

### OF THE TREASURER.

**Article 36.** The Treasurer shall be appointed by the Board of Directors, shall keep the accounts of the Company, and shall have under his care and responsibility the funds paid into the treasury.

**Article 37.** He shall deposit the funds of the Company in such banks as may be designated by the Board of Directors. These amounts shall not be withdrawn from said banks except upon cheques or drafts signed by the Treasurer, and by a member of the Board.

**Article 38.** He shall present to the Board, or to the Executive Committee, or to the Committee which these may designate, weekly, and to the Board, monthly, a statement of accounts and balance sheet.

**Article 39.** Except when otherwise ordered by the Board of Directors, every instrument which imposes an obligation of payment upon the Company shall be signed by the Treasurer and by a member of the Board.

**Article 40.** For the collection of all bills receivable, the signatures of the Treasurer and of a member of the Board shall be necessary.

**Article 41.** The Board of Directors and the Executive Committee, when acting, shall always have the right to appoint one or more persons as assistants to the Treasurer, designating their duties and obligations.



## OF THE SECRETARY.

**Article 42.** The Secretary shall be appointed by the Board of Directors.

**Article 43.** He shall have under his charge and custody all the books, documents, contracts and papers belonging to the Company, shall attend the general meetings of shareholders, and the meetings of the Board of Directors and Executive Committee, shall see that the proper notices are given, shall have under his charge the office of the Company in the City of Mexico, and in general shall be responsible for the regular dispatch of the Company's business.

**Article 44.** The Secretary shall have under his care the stock register, which shall be duly stamped; he shall not exhibit the same except to a party interested, to the extent of his interest; also to the members of the Board of Directors, the General Director, or by order of Court or of the Board.

**Article 45.** The Board of Directors and the Executive Committee, when acting, shall always have the right to appoint one or more persons as assistants to the Secretary, designating their duties and obligations.

## OF THE AUDITOR.

**Article 46.** The general meeting of shareholders shall annually appoint a Proprietary Auditor, and a Vice-Auditor, who shall exercise the powers conferred upon them by Articles 198 to 200 of the Commercial Code. These Auditors shall continue in force until the election of their successors, and as security for their official action, shall deposit one share in the office of the Secretary.

**Article 47.** If the office of either Proprietary or Vice-Auditor should become vacant for any cause, a special general meeting of shareholders shall be called for the appointment of a successor.

## REMUNERATION OF OFFICERS.

**Article 48.** The remuneration to be received by the General Director, Treasurer, Secretary and principal employees of the Company, shall be fixed by the Board of Directors. The remuneration of the members of the Board, and of the Auditors, shall be fixed by the general meeting of shareholders.

**Article 49.** The office of member of the Board is not incompatible with the holding of any other office or commission which the Board of Directors may see fit to confer, and in such case the Board itself may fix the compensation to be paid for the additional services thus to be rendered.

## CHAPTER V.

### ACCOUNTS.

**Article 50.** The fiscal year shall commence on the first day of June, and terminate on the thirty-first day of May of each year.

**Article 51.** Each year an inventory shall be prepared, giving the assets, real and personal, as also the liabilities of the Company.

The inventory, balance sheet and account of profit and loss shall be delivered to the Auditor in time sufficient for him to comply with the obligations imposed upon him by the Commercial Code. These documents shall also be presented to the general meeting of shareholders.

**Article 52.** The Auditor, before the meeting of shareholders, shall deliver at the office of the Company, a report upon the condition of the Company, upon the balance sheet, and upon the accounts presented by the Board.

**Article 53.** The approval of the accounts by the general meeting of shareholders shall constitute a full and absolute discharge of liability on the part of the managers of the Company.

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## CHAPTER VI.

### PROFITS.

**Article 54.** After setting aside a reserve fund, as required by Article 214 of the Commercial Code, as also such other amount as may be determined by the Board of Directors, the balance of the net profits of the Company shall be applied to the payment of the debts of the Company, and not until these have been fully liquidated shall any dividends be declared.

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## CHAPTER VII.

### GENERAL PROVISIONS.

**Article 55.** In all matters not especially covered by these By-Laws, the Company shall be governed by the provisions of the Commercial Code.