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# NATIONAL ASSEMBLY

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FIRST SESSION

THIRTY-THIRD LEGISLATURE

Bill 143

## **An Act to amend the Companies Act**

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### **Introduction**

**Introduced by  
Mr Pierre Fortier  
Minister for Finance and Privatization**

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## EXPLANATORY NOTES

*The objects of this bill are*

*— to put an end to certain problems of interpretation in relation to the Companies Act;*

*— to allow the directors of a company to delegate their borrowing powers to certain persons;*

*— to amend the rules on compromise or arrangement under Part IA in order to avoid the intervention of the judge when the shareholders concerned agree unanimously to the compromise or arrangement and, in the latter case, to dispense with the regular procedure of amendment of the articles;*

*— to amend the rules on simplified amalgamation of a parent company and its subsidiary and of subsidiaries of the same corporation by eliminating, in certain cases, the requirement that all the shares be shares without par value;*

*— to allow, on certain conditions, the continuance of mining companies incorporated under the Mining Companies Act (R.S.Q., chapter C-47) under Part IA;*

*— to provide that, at the time of continuance of a company, only the shareholders concerned are required to approve changes affecting the rights, conditions, privileges or restrictions attaching to their shares.*

# Bill 143

## An Act to amend the Companies Act

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

**1.** Section 77 of the Companies Act (R.S.Q., chapter C-38) is amended by inserting, after subsection 1, the following subsection:

“1.1 The by-law may provide that the powers mentioned in subsection 1 shall be exercised, to the extent determined in the by-law, by one or more directors or officers designated by the directors or by the by-law.

The by-law may also provide that the powers so delegated may be amended, to the extent determined in the by-law, by a by-law subject to the provisions of subsection 3 of section 91.”

**2.** Section 89.2 of the said Act is amended by replacing the words “Subject to” in the first line by the words “Unless otherwise indicated in the deed of incorporation or in”.

**3.** Section 123.0.1 of the said Act is amended by inserting, after the word “sections”, in the third line of the first paragraph, the figure “12,”.

**4.** Section 123.66 of the said Act is amended by replacing the third and fourth lines by the following: “shareholder of its parent corporation or a person to assist him in purchasing its shares if there is reasonable ground to believe that, as a”.

**5.** Section 123.77 of the said Act is replaced by the following section:

**“123.77** Unless otherwise provided in the articles, the shareholders may, by resolution, remove a director at a special meeting called for that purpose.

Where persons holding shares of a class have the exclusive right to elect a director, that director may be removed only at a special meeting of the shareholders called for that purpose in the same manner as a special general meeting of the shareholders of the company or in any other manner indicated in the articles or by-laws of the company.”

**6.** Section 123.95 of the said Act is amended by replacing the first line of paragraph 2 by the following:

“(2) failing provisions that permit it in the articles, if all the”.

**7.** Section 123.103 of the said Act is amended by replacing the first line of the first paragraph by the following:

**“123.103** Except in the cases provided for in sections 123.102 and 123.107, the”.

**8.** Section 123.107 of the said Act is replaced by the following sections:

**“123.107** The articles are amended to confirm a compromise or arrangement.

Notwithstanding section 49, the intervention of the judge is not required if all the shareholders concerned who are contemplated in that section agree to compromise or arrangement.

Section 123.103 does not apply to an amendment the sole object of which is to confirm a compromise or arrangement.

**“123.107.1** The directors shall, in the case contemplated in section 123.107, authorize one of their number to sign the articles confirming the compromise or arrangement.”

**9.** Section 123.129 of the said Act is amended

(1) by striking out the words “, if their shares are without par value,” in the second line;

(2) by replacing paragraph 4 by the following paragraph:

“(4) the directors of the company resulting from the amalgamation will be those of the parent company and its by-laws will be those of the parent company or those prescribed by the board of directors of the parent company; the by-laws so prescribed are, however, subject to the provisions of subsection 3 of section 91.”

**10.** Section 123.130 of the said Act is amended by replacing the second line by the following: “corporation may, if the shares issued by the subsidiary whose shares are not cancelled are without par value, amalgamate”.

**11.** Section 123.131 of the said Act is amended by adding the following paragraph:

“It applies, however, to companies incorporated under the Mining Companies Act (R.S.Q., chapter C-47) provided that

(1) they have no share issued at a discount rate that is outstanding at the time of the continuance;

(2) the shares issued at a discount rate are converted into shares without par value at the time of the continuance and that the paid-up capital on those shares are credited to the issued and paid-up share capital account;

(3) the shares issued at a discount rate have been converted into shares without par value or exchanged for such shares before the continuance.”

**12.** Section 123.134 of the said Act is amended by replacing the third and fourth lines of the second paragraph by the following: “shares without obtaining the consent of all the shareholders concerned, whether or not they are eligible to vote; however, it is not”.

**13.** This Act comes into force on (*insert here the date of assent to this Act*).